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**Table T14-0082**  
**Sen. Shaheen's Child and Dependent Care Tax Credit (CDCTC) Proposal: The "Helping Working Families Afford Child Care Act"**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2015 <sup>1</sup>**  
**Summary Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units with Tax Increase or Cut <sup>4</sup>				Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut		With Tax Increase					Change (% Points)	Under the Proposal
	Pct of Tax Units	Avg Tax Cut	Pct of Tax Units	Avg Tax Increase					
<b>Lowest Quintile</b>	2.5	-633	0.1	107	0.1	23.3	-16	-0.1	3.0
<b>Second Quintile</b>	2.4	-647	1.2	96	0.0	17.9	-14	0.0	8.3
<b>Middle Quintile</b>	2.7	-673	0.6	74	0.0	19.7	-18	0.0	13.9
<b>Fourth Quintile</b>	3.9	-713	0.0	0	0.0	25.1	-27	0.0	17.0
<b>Top Quintile</b>	3.4	-690	1.8	373	0.0	13.2	-17	0.0	25.7
<b>All</b>	2.8	-671	0.7	200	0.0	100.0	-18	0.0	19.7
<b>Addendum</b>									
<b>80-90</b>	4.5	-719	0.0	0	0.0	12.9	-32	0.0	19.1
<b>90-95</b>	4.1	-669	1.4	96	0.0	5.3	-26	0.0	21.0
<b>95-99</b>	0.5	-282	6.4	412	0.0	-4.0	25	0.0	24.4
<b>Top 1 Percent</b>	0.0	0	3.4	645	0.0	-0.9	22	0.0	34.2
<b>Top 0.1 Percent</b>	0.0	0	1.9	697	0.0	-0.1	13	0.0	36.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5b).

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 4.5

\* Less than 0.05

\*\* Insufficient data

(1) Calendar year. Baseline current law. Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2015; increases expense limit to \$8,000 for one qualifying individual and \$16,000 for two or more qualified individuals; and decreases the maximum credit rate to 20 percent. The credit rate would phase down by one percentage point for each \$5,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$200,000, from a maximum of 20% down to 0. We assume that 80 percent of tax units with childcare expenses in the baseline who receive a benefit under a refundable CDCTC but not under current law would claim that benefit. After 2015, we assume that the participation rate would increase annually by 1 percentage point with a maximum of 90 percent. For a description of TPC's current law baseline, see:

<http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. Our estimates do not include any potential interactions with dependent care flexible spending accounts (FSA). For a description of expanded cash income, see:

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2013 dollars): 20% \$24,845; 40% \$48,287; 60% \$82,190; 80% \$137,656; 90% \$188,947; 95% \$271,775; 99% \$637,969; 99.9% \$3,278,014.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average expanded cash income.

**Table T14-0082**  
**Sen. Shaheen's Child and Dependent Care Tax Credit (CDCTC) Proposal: The "Helping Working Families Afford Child Care Act"**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2015 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	2.5	0.1	0.1	23.3	-16	-3.3	0.0	0.7	-0.1	3.0
Second Quintile	2.4	1.2	0.0	17.9	-14	-0.5	0.0	3.9	0.0	8.3
Middle Quintile	2.7	0.6	0.0	19.7	-18	-0.2	0.0	10.4	0.0	13.9
Fourth Quintile	3.9	0.0	0.0	25.1	-27	-0.1	0.0	17.4	0.0	17.0
Top Quintile	3.4	1.8	0.0	13.2	-17	0.0	0.1	67.4	0.0	25.7
All	2.8	0.7	0.0	100.0	-18	-0.1	0.0	100.0	0.0	19.7
<b>Addendum</b>										
80-90	4.5	0.0	0.0	12.9	-32	-0.1	0.0	12.7	0.0	19.1
90-95	4.1	1.4	0.0	5.3	-26	-0.1	0.0	9.8	0.0	21.0
95-99	0.5	6.4	0.0	-4.0	25	0.0	0.0	15.1	0.0	24.4
Top 1 Percent	0.0	3.4	0.0	-0.9	22	0.0	0.0	29.7	0.0	34.2
Top 0.1 Percent	0.0	1.9	0.0	-0.1	13	0.0	0.0	15.0	0.0	36.6

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile, 2015 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	43,476	26.5	15,007	4.5	465	0.7	14,542	5.4	3.1
Second Quintile	36,374	22.2	37,121	9.2	3,100	3.9	34,022	10.5	8.4
Middle Quintile	32,413	19.8	66,181	14.7	9,223	10.4	56,958	15.7	13.9
Fourth Quintile	26,570	16.2	111,246	20.2	18,918	17.4	92,328	20.9	17.0
Top Quintile	23,247	14.2	325,050	51.6	83,522	67.3	241,528	47.7	25.7
All	163,798	100.0	89,403	100.0	17,606	100.0	71,797	100.0	19.7
<b>Addendum</b>									
80-90	11,609	7.1	165,126	13.1	31,609	12.7	133,516	13.2	19.1
90-95	5,784	3.5	232,948	9.2	48,825	9.8	184,123	9.1	21.0
95-99	4,668	2.9	383,687	12.2	93,404	15.1	290,283	11.5	24.3
Top 1 Percent	1,186	0.7	2,108,850	17.1	721,985	29.7	1,386,865	14.0	34.2
Top 0.1 Percent	122	0.1	9,673,972	8.1	3,539,462	15.0	6,134,510	6.4	36.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5b).

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 4.5

\* Less than 0.05

(1) Calendar year. Baseline current law. Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2015; increases expense limit to \$8,000 for one qualifying individual and \$16,000 for two or more qualified individuals; and decreases the maximum credit rate to 20 percent. The credit rate would phase down by one percentage point for each \$5,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$200,000, from a maximum of 20% down to 0. We assume that 80 percent of tax units with childcare expenses in the baseline who receive a benefit under a refundable CDCTC but not under current law would claim that benefit. After 2015, we assume that the participation rate would increase annually by 1 percentage point with a maximum of 90 percent. For a description of TPC's current law baseline, see: <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. Our estimates do not include any potential interactions with dependent care flexible spending accounts (FSA). For a description of expanded cash income, see: <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2013 dollars): 20% \$24,845; 40% \$48,287; 60% \$82,190; 80% \$137,656; 90% \$188,947; 95% \$271,775; 99% \$637,969; 99.9% \$3,278,014.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

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(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average expanded cash income.

**Table T14-0082**  
**Sen. Shaheen's Child and Dependent Care Tax Credit (CDCTC) Proposal: The "Helping Working Families Afford Child Care Act"**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2015 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	3.8	0.1	0.2	28.0	-23	26.0	0.0	-0.1	-0.2	-0.8
Second Quintile	2.2	1.3	0.0	16.2	-14	-0.6	0.0	2.5	0.0	6.5
Middle Quintile	3.0	0.6	0.0	22.2	-20	-0.3	0.0	8.0	0.0	12.3
Fourth Quintile	3.4	*	0.0	25.4	-24	-0.2	0.0	16.7	0.0	16.4
Top Quintile	1.8	1.4	0.0	7.5	-7	0.0	0.1	72.7	0.0	25.4
All	2.8	0.7	0.0	100.0	-18	-0.1	0.0	100.0	0.0	19.7
<b>Addendum</b>										
80-90	2.7	0.1	0.0	10.3	-20	-0.1	0.0	14.4	0.0	19.2
90-95	1.5	2.4	0.0	1.0	-4	0.0	0.0	11.1	0.0	21.3
95-99	0.2	3.2	0.0	-3.1	15	0.0	0.0	16.5	0.0	24.0
Top 1 Percent	0.0	2.2	0.0	-0.7	14	0.0	0.0	30.8	0.0	34.0
Top 0.1 Percent	0.0	1.3	0.0	0.0	9	0.0	0.0	15.6	0.0	36.6

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2015 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	35,362	21.6	14,169	3.4	-89	-0.1	14,258	4.3	-0.6	
Second Quintile	33,994	20.8	33,077	7.7	2,166	2.6	30,911	8.9	6.6	
Middle Quintile	32,189	19.7	58,387	12.8	7,174	8.0	51,212	14.0	12.3	
Fourth Quintile	30,309	18.5	96,485	20.0	15,869	16.7	80,616	20.8	16.5	
Top Quintile	30,227	18.5	272,302	56.2	69,270	72.6	203,032	52.2	25.4	
All	163,798	100.0	89,403	100.0	17,606	100.0	71,797	100.0	19.7	
<b>Addendum</b>										
80-90	15,282	9.3	141,170	14.7	27,122	14.4	114,047	14.8	19.2	
90-95	7,611	4.7	196,622	10.2	41,939	11.1	154,683	10.0	21.3	
95-99	5,922	3.6	333,084	13.5	80,053	16.4	253,031	12.7	24.0	
Top 1 Percent	1,412	0.9	1,844,927	17.8	627,662	30.7	1,217,265	14.6	34.0	
Top 0.1 Percent	144	0.1	8,563,559	8.4	3,130,202	15.6	5,433,357	6.6	36.6	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5b).

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 4.5

\* Less than 0.05

(1) Calendar year. Baseline current law. Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2015; increases expense limit to \$8,000 for one qualifying individual and \$16,000 for two or more qualified individuals; and decreases the maximum credit rate to 20 percent. The credit rate would phase down by one percentage point for each \$5,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$200,000, from a maximum of 20% down to 0. We assume that 80 percent of tax units with childcare expenses in the baseline who receive a benefit under a refundable CDCTC but not under current law would claim that benefit. After 2015, we assume that the participation rate would increase annually by 1 percentage point with a maximum of 90 percent. For a description of TPC's current law baseline, see: <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. Our estimates do not include any potential interactions with dependent care flexible spending accounts (FSA). For a description of expanded cash income, see: <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2013 dollars): 20% \$17,272; 40% \$31,840; 60% \$52,012; 80% \$82,159; 90% \$114,160; 95% \$160,290; 99% \$376,761; 99.9% \$1,971,702.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average expanded cash income.

**Table T14-0082**  
**Sen. Shaheen's Child and Dependent Care Tax Credit (CDCTC) Proposal: The "Helping Working Families Afford Child Care Act"**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2015 <sup>1</sup>**  
**Detail Table - Single Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	1.2	*	0.1	75.0	-8	-1.5	0.0	1.7	-0.1	4.7
Second Quintile	0.3	0.1	0.0	13.1	-2	-0.1	0.0	6.1	0.0	8.9
Middle Quintile	0.2	0.0	0.0	5.4	-1	0.0	0.0	12.7	0.0	13.8
Fourth Quintile	*	*	0.0	1.9	0	0.0	0.0	21.5	0.0	18.7
Top Quintile	0.1	*	0.0	4.6	-1	0.0	0.0	57.7	0.0	25.9
All	0.5	*	0.0	100.0	-3	0.0	0.0	100.0	0.0	18.7
<b>Addendum</b>										
80-90	0.2	0.0	0.0	4.5	-2	0.0	0.0	14.5	0.0	21.2
90-95	*	0.0	0.0	0.2	0	0.0	0.0	11.1	0.0	23.1
95-99	0.0	0.1	0.0	-0.1	0	0.0	0.0	12.2	0.0	24.5
Top 1 Percent	0.0	*	0.0	0.0	0	0.0	0.0	19.9	0.0	35.1
Top 0.1 Percent	0.0	*	0.0	0.0	0	0.0	0.0	10.6	0.0	38.4

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2015 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	21,755	29.2	11,103	6.8	533	1.7	10,570	8.0	4.8
Second Quintile	17,975	24.1	25,210	12.8	2,242	6.1	22,968	14.3	8.9
Middle Quintile	14,157	19.0	43,012	17.2	5,946	12.7	37,066	18.2	13.8
Fourth Quintile	11,192	15.0	68,399	21.6	12,756	21.5	55,643	21.6	18.7
Top Quintile	8,552	11.5	173,160	41.8	44,838	57.7	128,321	38.1	25.9
All	74,471	100.0	47,610	100.0	8,921	100.0	38,689	100.0	18.7
<b>Addendum</b>									
80-90	4,540	6.1	99,933	12.8	21,191	14.5	78,741	12.4	21.2
90-95	2,300	3.1	138,521	9.0	32,060	11.1	106,462	8.5	23.1
95-99	1,414	1.9	234,545	9.4	57,349	12.2	177,196	8.7	24.5
Top 1 Percent	299	0.4	1,262,697	10.6	443,575	19.9	819,123	8.5	35.1
Top 0.1 Percent	30	0.0	6,144,114	5.2	2,360,832	10.6	3,783,282	3.9	38.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5b).

\* Less than 0.05

(1) Calendar year. Baseline current law. Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2015; increases expense limit to \$8,000 for one qualifying individual and \$16,000 for two or more qualified individuals; and decreases the maximum credit rate to 20 percent. The credit rate would phase down by one percentage point for each \$5,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$200,000, from a maximum of 20% down to 0. We assume that 80 percent of tax units with childcare expenses in the baseline who receive a benefit under a refundable CDCTC but not under current law would claim that benefit. After 2015, we assume that the participation rate would increase annually by 1 percentage point with a maximum of 90 percent. For a description of TPC's current law baseline, see: <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. Our estimates do not include any potential interactions with dependent care flexible spending accounts (FSA). For a description of expanded cash income, see: <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2013 dollars): 20% \$17,272; 40% \$31,840; 60% \$52,012; 80% \$82,159; 90% \$114,160; 95% \$160,290; 99% \$376,761; 99.9% \$1,971,702.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average expanded cash income.

**Table T14-0082**  
**Sen. Shaheen's Child and Dependent Care Tax Credit (CDCTC) Proposal: The "Helping Working Families Afford Child Care Act"**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2015 <sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	2.1	0.0	0.0	4.1	-8	2.5	0.0	-0.1	0.0	-1.7
Second Quintile	1.6	0.6	0.0	5.0	-6	-0.2	0.0	1.1	0.0	5.7
Middle Quintile	3.0	0.1	0.0	20.3	-17	-0.2	0.0	5.0	0.0	11.1
Fourth Quintile	5.3	0.0	0.0	54.3	-36	-0.2	0.0	14.2	0.0	15.4
Top Quintile	2.4	2.0	0.0	15.9	-8	0.0	0.0	79.6	0.0	25.3
All	3.1	0.7	0.0	100.0	-17	-0.1	0.0	100.0	0.0	21.0
<b>Addendum</b>										
80-90	3.6	0.2	0.0	24.1	-26	-0.1	0.0	14.5	0.0	18.5
90-95	2.2	3.7	0.0	2.0	-4	0.0	0.0	11.4	0.0	20.7
95-99	0.3	4.2	0.0	-8.3	20	0.0	0.0	18.6	0.0	23.9
Top 1 Percent	0.0	2.7	0.0	-1.8	18	0.0	0.0	35.1	0.0	33.8
Top 0.1 Percent	0.0	1.6	0.0	-0.1	11	0.0	0.0	17.3	0.0	36.3

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2015 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	5,322	8.6	20,019	1.1	-327	-0.1	20,346	1.4	-1.6	
Second Quintile	8,305	13.3	44,648	3.9	2,554	1.1	42,095	4.6	5.7	
Middle Quintile	12,243	19.7	74,499	9.5	8,264	5.0	66,235	10.7	11.1	
Fourth Quintile	15,778	25.3	117,944	19.4	18,154	14.2	99,790	20.8	15.4	
Top Quintile	19,977	32.1	318,199	66.3	80,350	79.6	237,849	62.7	25.3	
All	62,259	100.0	154,110	100.0	32,399	100.0	121,712	100.0	21.0	
<b>Addendum</b>										
80-90	9,741	15.7	162,023	16.5	29,968	14.5	132,055	17.0	18.5	
90-95	4,910	7.9	226,520	11.6	46,865	11.4	179,654	11.6	20.7	
95-99	4,277	6.9	368,139	16.4	87,794	18.6	280,345	15.8	23.9	
Top 1 Percent	1,049	1.7	1,993,439	21.8	674,395	35.1	1,319,044	18.3	33.8	
Top 0.1 Percent	105	0.2	9,185,257	10.0	3,333,500	17.3	5,851,757	8.1	36.3	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5b).

\* Less than 0.05

(1) Calendar year. Baseline current law. Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2015; increases expense limit to \$8,000 for one qualifying individual and \$16,000 for two or more qualified individuals; and decreases the maximum credit rate to 20 percent. The credit rate would phase down by one percentage point for each \$5,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$200,000, from a maximum of 20% down to 0. We assume that 80 percent of tax units with childcare expenses in the baseline who receive a benefit under a refundable CDCTC but not under current law would claim that benefit. After 2015, we assume that the participation rate would increase annually by 1 percentage point with a maximum of 90 percent. For a description of TPC's current law baseline, see: <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. Our estimates do not include any potential interactions with dependent care flexible spending accounts (FSA). For a description of expanded cash income, see: <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2013 dollars): 20% \$17,272; 40% \$31,840; 60% \$52,012; 80% \$82,159; 90% \$114,160; 95% \$160,290; 99% \$376,761; 99.9% \$1,971,702.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average expanded cash income.

**Table T14-0082**  
**Sen. Shaheen's Child and Dependent Care Tax Credit (CDCTC) Proposal: The "Helping Working Families Afford Child Care Act"**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2015 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	12.1	0.4	0.4	36.6	-75	4.5	-0.6	-10.6	-0.4	-9.4
Second Quintile	7.9	5.2	0.1	23.8	-54	-3.9	-0.2	7.3	-0.1	3.4
Middle Quintile	11.6	3.3	0.2	25.7	-84	-1.1	0.1	29.5	-0.1	12.2
Fourth Quintile	7.8	0.1	0.1	10.2	-64	-0.4	0.3	31.0	-0.1	16.9
Top Quintile	5.4	1.3	0.0	2.5	-37	-0.1	0.5	42.8	0.0	24.3
All	10.0	2.4	0.2	100.0	-68	-1.2	0.0	100.0	-0.1	10.8
<b>Addendum</b>										
80-90	7.1	*	0.1	2.4	-55	-0.2	0.2	14.6	0.0	20.4
90-95	4.0	1.2	0.0	0.4	-32	-0.1	0.1	6.5	0.0	21.7
95-99	1.2	6.1	0.0	-0.2	23	0.0	0.1	8.6	0.0	24.5
Top 1 Percent	*	7.8	0.0	-0.1	49	0.0	0.2	13.0	0.0	33.4
Top 0.1 Percent	0.0	5.4	0.0	0.0	38	0.0	0.1	6.3	0.0	35.8

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2015 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	7,977	33.2	18,689	12.1	-1,677	-10.0	20,366	14.8	-9.0
Second Quintile	7,174	29.9	39,601	23.1	1,393	7.5	38,209	25.0	3.5
Middle Quintile	4,992	20.8	63,864	25.9	7,898	29.4	55,966	25.5	12.4
Fourth Quintile	2,596	10.8	93,385	19.7	15,849	30.7	77,535	18.4	17.0
Top Quintile	1,111	4.6	209,563	18.9	50,988	42.3	158,575	16.1	24.3
All	24,016	100.0	51,175	100.0	5,578	100.0	45,596	100.0	10.9
<b>Addendum</b>									
80-90	706	2.9	134,547	7.7	27,480	14.5	107,067	6.9	20.4
90-95	218	0.9	181,689	3.2	39,411	6.4	142,278	2.8	21.7
95-99	156	0.7	297,940	3.8	73,072	8.5	224,869	3.2	24.5
Top 1 Percent	30	0.1	1,706,864	4.2	569,822	12.8	1,137,042	3.1	33.4
Top 0.1 Percent	3	0.0	8,273,545	1.9	2,962,399	6.2	5,311,145	1.4	35.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5b).

\* Less than 0.05

(1) Calendar year. Baseline current law. Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2015; increases expense limit to \$8,000 for one qualifying individual and \$16,000 for two or more qualified individuals; and decreases the maximum credit rate to 20 percent. The credit rate would phase down by one percentage point for each \$5,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$200,000, from a maximum of 20% down to 0. We assume that 80 percent of tax units with childcare expenses in the baseline who receive a benefit under a refundable CDCTC but not under current law would claim that benefit. After 2015, we assume that the participation rate would increase annually by 1 percentage point with a maximum of 90 percent. For a description of TPC's current law baseline, see: <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. Our estimates do not include any potential interactions with dependent care flexible spending accounts (FSA). For a description of expanded cash income, see: <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2013 dollars): 20% \$17,272; 40% \$31,840; 60% \$52,012; 80% \$82,159; 90% \$114,160; 95% \$160,290; 99% \$376,761; 99.9% \$1,971,702.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average expanded cash income.

**Table T14-0082**  
**Sen. Shaheen's Child and Dependent Care Tax Credit (CDCTC) Proposal: The "Helping Working Families Afford Child Care Act"**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2015 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	11.1	0.4	0.3	26.4	-67	3.3	-0.1	-2.0	-0.3	-10.6
Second Quintile	6.5	3.9	0.1	15.7	-40	-2.4	0.0	1.6	-0.1	3.6
Middle Quintile	8.8	1.6	0.1	22.7	-60	-0.6	0.0	9.0	-0.1	12.2
Fourth Quintile	9.9	0.0	0.1	26.4	-70	-0.3	0.0	19.2	-0.1	16.1
Top Quintile	6.1	4.7	0.0	7.9	-25	0.0	0.2	72.1	0.0	25.5
All	8.5	2.0	0.1	100.0	-53	-0.3	0.0	100.0	-0.1	18.6
<b>Addendum</b>										
80-90	9.1	0.3	0.0	10.9	-66	-0.2	0.0	14.2	0.0	19.0
90-95	5.4	8.5	0.0	1.0	-13	0.0	0.0	11.0	0.0	21.1
95-99	0.8	11.1	0.0	-3.3	53	0.1	0.1	16.3	0.0	24.6
Top 1 Percent	0.0	7.1	0.0	-0.7	46	0.0	0.1	30.6	0.0	34.3
Top 0.1 Percent	0.0	4.4	0.0	-0.1	32	0.0	0.0	14.2	0.0	36.5

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2015 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	10,705	20.9	19,909	3.6	-2,036	-2.0	21,945	4.9	-10.2
Second Quintile	10,704	20.9	45,014	8.1	1,640	1.6	43,374	9.6	3.6
Middle Quintile	10,325	20.2	78,907	13.7	9,678	9.0	69,230	14.8	12.3
Fourth Quintile	10,260	20.1	128,289	22.2	20,716	19.2	107,572	22.8	16.2
Top Quintile	8,772	17.1	355,864	52.5	90,832	72.0	265,033	48.1	25.5
All	51,185	100.0	116,093	100.0	21,629	100.0	94,464	100.0	18.6
<b>Addendum</b>									
80-90	4,492	8.8	184,253	13.9	35,075	14.2	149,179	13.9	19.0
90-95	2,159	4.2	265,880	9.7	56,167	11.0	209,713	9.4	21.1
95-99	1,689	3.3	434,111	12.3	106,560	16.3	327,550	11.4	24.6
Top 1 Percent	432	0.8	2,283,986	16.6	782,296	30.5	1,501,690	13.4	34.3
Top 0.1 Percent	40	0.1	10,697,087	7.3	3,904,273	14.2	6,792,813	5.7	36.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5b).

\* Less than 0.05

Note: Tax units with children are those claiming an exemption for children at home or away from home.

(1) Calendar year. Baseline current law. Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2015; increases expense limit to \$8,000 for one qualifying individual and \$16,000 for two or more qualified individuals; and decreases the maximum credit rate to 20 percent. The credit rate would phase down by one percentage point for each \$5,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$200,000, from a maximum of 20% down to 0. We assume that 80 percent of tax units with childcare expenses in the baseline who receive a benefit under a refundable CDCTC but not under current law would claim that benefit. After 2015, we assume that the participation rate would increase annually by 1 percentage point with a maximum of 90 percent. For a description of TPC's current law baseline, see: <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. Our estimates do not include any potential interactions with dependent care flexible spending accounts (FSA). For a description of expanded cash income, see: <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2013 dollars): 20% \$17,272; 40% \$31,840; 60% \$52,012; 80% \$82,159; 90% \$114,160; 95% \$160,290; 99% \$376,761; 99.9% \$1,971,702.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average expanded cash income.

**Table T14-0082**  
**Sen. Shaheen's Child and Dependent Care Tax Credit (CDCTC) Proposal: The "Helping Working Families Afford Child Care Act"**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2015 <sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	*	0.0	0.0	4.7	0	-0.1	0.0	0.1	0.0	0.7
Second Quintile	0.1	0.0	0.0	29.4	0	-0.1	0.0	1.3	0.0	2.5
Middle Quintile	0.1	*	0.0	40.9	-1	0.0	0.0	5.4	0.0	6.4
Fourth Quintile	0.1	0.0	0.0	20.4	0	0.0	0.0	13.1	0.0	12.1
Top Quintile	0.1	*	0.0	4.7	0	0.0	0.0	79.9	0.0	24.8
All	0.1	*	0.0	100.0	0	0.0	0.0	100.0	0.0	17.1
<b>Addendum</b>										
80-90	0.1	0.0	0.0	7.3	0	0.0	0.0	12.6	0.0	16.0
90-95	*	*	0.0	4.1	0	0.0	0.0	9.4	0.0	19.4
95-99	0.0	0.1	0.0	-4.4	0	0.0	0.0	18.0	0.0	23.0
Top 1 Percent	0.0	0.1	0.0	-2.3	1	0.0	0.0	40.0	0.0	34.3
Top 0.1 Percent	0.0	0.1	0.0	-0.2	1	0.0	0.0	21.0	0.0	36.8

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2015 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	6,891	18.6	13,327	3.1	98	0.1	13,229	3.7	0.7	
Second Quintile	9,256	24.9	28,007	8.8	697	1.3	27,310	10.3	2.5	
Middle Quintile	8,323	22.4	51,356	14.5	3,268	5.4	48,089	16.4	6.4	
Fourth Quintile	6,308	17.0	86,349	18.5	10,466	13.1	75,882	19.6	12.1	
Top Quintile	6,186	16.7	262,805	55.1	65,255	79.9	197,551	50.0	24.8	
All	37,154	100.0	79,411	100.0	13,594	100.0	65,817	100.0	17.1	
<b>Addendum</b>										
80-90	3,138	8.5	126,823	13.5	20,240	12.6	106,584	13.7	16.0	
90-95	1,393	3.8	175,639	8.3	34,120	9.4	141,519	8.1	19.4	
95-99	1,309	3.5	301,753	13.4	69,349	18.0	232,404	12.4	23.0	
Top 1 Percent	346	0.9	1,700,803	19.9	583,772	40.0	1,117,031	15.8	34.3	
Top 0.1 Percent	37	0.1	7,753,958	9.8	2,854,689	21.0	4,899,269	7.4	36.8	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5b).

\* Less than 0.05

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

(1) Calendar year. Baseline current law. Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2015; increases expense limit to \$8,000 for one qualifying individual and \$16,000 for two or more qualified individuals; and decreases the maximum credit rate to 20 percent. The credit rate would phase down by one percentage point for each \$5,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$200,000, from a maximum of 20% down to 0. We assume that 80 percent of tax units with childcare expenses in the baseline who receive a benefit under a refundable CDCTC but not under current law would claim that benefit. After 2015, we assume that the participation rate would increase annually by 1 percentage point with a maximum of 90 percent. For a description of TPC's current law baseline, see: <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. Our estimates do not include any potential interactions with dependent care flexible spending accounts (FSA). For a description of expanded cash income, see: <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2013 dollars): 20% \$17,272; 40% \$31,840; 60% \$52,012; 80% \$82,159; 90% \$114,160; 95% \$160,290; 99% \$376,761; 99.9% \$1,971,702.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average expanded cash income.