

**Table T19-0003**  
**Economic Security Project Proposal - Cost-of-Living Refund (COLR)**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2019 <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 Change (\$)	Pct of Tax Units	Avg Tax Change (\$)					
Lowest Quintile	52.6	-3,470	4.4	1,430	12.4	35.3	-1,760	-12.0	-9.0
Second Quintile	62.3	-3,370	5.5	930	5.9	34.1	-2,050	-5.4	2.2
Middle Quintile	41.5	-3,650	1.5	370	2.5	23.0	-1,510	-2.2	10.1
Fourth Quintile	18.3	-2,890	*	**	0.5	6.8	-530	-0.4	15.2
Top Quintile	0.5	-3,540	0.0	0	0.0	0.2	-20	0.0	23.4
All	39.2	-3,430	2.6	1,090	1.6	100.0	-1,310	-1.3	16.9
Addendum									
80-90	0.9	-3,610	0.0	0	0.0	0.2	-30	0.0	18.7
90-95	0.1	-2,430	0.0	0	0.0	0.0	*	0.0	20.2
95-99	0.0	0	0.0	0	0.0	0.0	0	0.0	22.6
Top 1 Percent	0.0	0	0.0	0	0.0	0.0	0	0.0	30.2
Top 0.1 Percent	0.0	0	0.0	0	0.0	0.0	0	0.0	31.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0718-1).

Number of AMT Taxpayers (millions). Baseline: 0.2

Proposal: 0.2

\* Non-zero value rounded to zero; \*\* Insufficient data

(1) Calendar years. Baseline is the law in place for each year as of December 12, 2018. Proposal would: replace the EITC with a fully refundable credit equal to the lesser of \$ 4,000 or earned income (\$8,000 for married couples filing a joint return). Credit would phase out rateably between adjusted gross income (AGI), or earned income if greater, of \$30,000 and \$50,000 for singles; \$50,000 and \$90,000 for married couples filing jointly. All dollar amounts would be indexed to the chain-weighted consumer price index after 20 19. Eligible individuals must be at least 18 years of age (for married couples, at least one spouse must be at least 18 years of age), or must be students who receive the Pell Grant or meet a two-factor Pell approximation test, or they must be a caregiver for a child under the age of 6. The investment income limitation for purposes of the EITC would also apply to the COLR. Proposal would be effective 01/01/2019.

<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. 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 2018 dollars): 20% \$25,500; 40% \$50,000; 60% \$87,300; 80% \$157,900; 90% \$229,900; 95% \$334,900; 99% \$783,300; 99.9% \$3,452,300.

(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); estate tax; and excise taxes.

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