

Table T19-0009
Options to Change the Child Tax Credit (CTC)
Baseline: Current Law
Impact on Tax Revenue, 2019-28¹

	Fiscal Year										
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-28
Option 1: Remove Child Tax Credit's (CTC) \$2,500/\$3,000 Refundability Threshold²	-0.2	-2.0	-1.9	-1.8	-1.9	-1.7	-1.6	-1.6	-0.8	-0.8	-14.3
Option 2: Make Entire CTC Refundable³	-0.7	-6.8	-6.9	-6.8	-5.8	-5.9	-5.9	-4.5	0.0	0.0	-43.3
Option 3: Increase Additional Child Tax Credit (ACTC) Phase-in to 45 Percent⁴	-0.6	-5.5	-5.1	-4.8	-5.2	-4.8	-4.5	-4.5	-1.4	-1.3	-37.4
Options 1 and 2	-1.0	-10.0	-9.8	-9.7	-8.6	-8.5	-8.3	-6.7	-0.8	-0.8	-64.1
Options 1 and 3	-0.6	-6.4	-5.9	-5.5	-6.0	-5.5	-5.2	-5.2	-1.8	-1.7	-43.9
Options 1, 2, and 3	-2.1	-20.5	-19.7	-18.9	-17.2	-16.5	-15.7	-13.1	-1.8	-1.7	-127.2

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

(1) Revenue estimates are for fiscal years and use a 10-90 split. Proposals are effective 01/01/2019.

(2) Option 1 would eliminate the earnings threshold to calculate the refundable portion of the CTC. The credit would phase in at a rate of 15 percent of earnings.

(3) Option 2 would make the full CTC refundable, rather than limiting that amount to \$1,400 (indexed for inflation) prior to 2025. The credit would still follow phase in rules current law phase-in rules.

(4) Option 3 would phase the credit in at a rate of 45 percent of earnings in excess of \$2,500 (prior to 2025), \$3,000 thereafter.

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	Year										
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-28
Option 1: Remove Child Tax Credit's (CTC) \$2,500/\$3,000 Refundability Threshold²	-2.0	-1.9	-1.8	-1.9	-1.7	-1.6	-1.7	-0.9	-0.8	-0.7	-15.0
Option 2: Make Entire CTC Refundable³	-6.8	-6.8	-6.9	-5.8	-5.9	-5.9	-5.0	0.0	0.0	0.0	-43.3
Option 3: Increase Additional Child Tax Credit (ACTC) Phase-in to 45 Percent⁴	-5.5	-5.1	-4.7	-5.2	-4.8	-4.4	-4.8	-1.4	-1.3	-1.2	-38.4
Options 1 and 2	-10.0	-9.9	-9.8	-8.6	-8.5	-8.4	-7.3	-0.9	-0.8	-0.7	-64.8
Options 1 and 3	-6.4	-5.9	-5.5	-6.0	-5.6	-5.1	-5.6	-1.8	-1.7	-1.6	-45.3
Options 1, 2, and 3	-20.6	-19.8	-19.0	-17.2	-16.6	-15.9	-14.3	-1.8	-1.7	-1.6	-128.6

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

(1) Revenue estimates are for calendar years.

(2) Option 1 would eliminate the earnings threshold to calculate the refundable portion of the CTC. The credit would phase in at a rate of 15 percent of earnings.

(3) Option 2 would make the full CTC refundable, rather than limiting that amount to \$1,400 (indexed for inflation) prior to 2025. The credit would still follow phase in rules current law phase-in rules.

(4) Option 3 would phase the credit in at a rate of 45 percent of earnings in excess of \$2,500 (prior to 2025), \$3,000 thereafter.