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**Table T20-0005**  
**Economic Security Project's Cost-of-Living Refund (CLR) with Patch**  
**Replaces Earned Income Tax Credit**  
**With tax units with young children, 25+ dependents, and 51+ spouses included as caregivers**  
**Assuming additional self-employment income reporting**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2020<sup>1</sup>**  
**Summary Table**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Tax Units with Tax Increase or Cut <sup>3</sup>				Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut		With Tax Increase					Change (%)	Under the Proposal
	Pct of Tax Units	Avg Tax Change (\$)	Pct of Tax Units	Avg Tax Change (\$)					
<b>Less than 10</b>	53.1	-3,710	0.0	0	37.3	9.2	-1,970	-35.2	-29.6
<b>10-20</b>	57.8	-3,460	0.0	0	13.3	16.5	-2,000	-12.9	-9.9
<b>20-30</b>	65.3	-3,430	0.0	0	9.2	16.9	-2,240	-8.8	-4.8
<b>30-40</b>	68.8	-3,580	0.0	0	7.4	15.5	-2,470	-6.9	-0.1
<b>40-50</b>	69.0	-3,300	0.0	0	5.5	11.8	-2,280	-5.0	4.1
<b>50-75</b>	51.1	-3,370	0.0	0	3.1	16.9	-1,720	-2.7	8.8
<b>75-100</b>	33.7	-4,150	0.0	0	1.8	9.3	-1,400	-1.6	12.5
<b>100-200</b>	10.8	-2,500	0.0	0	0.2	3.3	-270	-0.2	16.4
<b>200-500</b>	0.3	-3,840	0.0	0	0.0	0.1	-10	0.0	20.2
<b>500-1,000</b>	0.0	0	0.0	0	0.0	0.0	0	0.0	23.9
<b>More than 1,000</b>	0.0	0	0.0	0	0.0	0.0	0	0.0	29.8
<b>All</b>	42.4	-3,470	0.0	0	1.8	100.0	-1,470	-1.4	16.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-1).

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 January 1, 2019. 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 ratably 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 2019. 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), unless they are an eligible student who receives the Pell Grant or meets a two-factor test, or they are an eligible caregiver for a child under the age of 6 or their spouse. Eligible students and caregivers are not subject to the credit phase-in period. Individuals who can be claimed as a dependent are not eligible for the credit. The investment income limitation for purposes of the EITC would apply to the CLR. Assumes the following take-up rates for 2019 (2024 and thereafter), take-up rates are assumed to rise between 2019 and 2023. Current law non-filing married couples: 70.0 (80.0); current law non-filing singles and heads of households: 60.0 (70.0), non-filing tax units with Pell Grants (additional 10.0 percentage points); filers eligible for EITC under current law who do not claim EITC: 50.0 (60.0); filers ineligible for current law EITC: singles 92.5 (95.0) and married couples 95.0 (97.5), assumes all recipients of the EITC would file to receive this credit. Also assumes that some tax units would report additional self-employment income to claim the credit. The additional patch is available for all CLR-eligible tax units filing as single or as head of household that have at least two children eligible for the EITC. The patch is set equal to: 12.55% of earned income up to the first EITC kink point for tax units with two children, and 18.75% of earned income up to the first EITC kink point for tax units with three or more children. The patch phases out at a rate of 5% from the second EITC kink point for tax units with two and three or more children.

Assumes 20% of MFJ couples with at least one filer aged 51 and up, and income-eligible for the CLR, would qualify as caregivers, that all MFJ couples that report additional self-employment income to claim the credit will receive the maximum credit, and an additional 5% of MFJ couples will report additional self-employment income.

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

(4) 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 taxes; and excise taxes.

(5) 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.

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**Replaces Earned Income Tax Credit**  
**With tax units with young children, 25+ dependents, and 51+ spouses included as caregivers**  
**Assuming additional self-employment income reporting**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2020 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	53.1	0.0	37.3	9.2	-1,970	-627.8	-0.8	-0.7	-35.2	-29.6
10-20	57.8	0.0	13.3	16.5	-2,000	-426.2	-1.4	-1.1	-12.9	-9.9
20-30	65.3	0.0	9.2	16.9	-2,240	-220.1	-1.4	-0.8	-8.8	-4.8
30-40	68.8	0.0	7.4	15.5	-2,470	-101.8	-1.2	0.0	-6.9	-0.1
40-50	69.0	0.0	5.5	11.8	-2,280	-54.7	-0.9	0.8	-5.0	4.1
50-75	51.1	0.0	3.1	16.9	-1,720	-23.8	-1.0	4.7	-2.7	8.8
75-100	33.7	0.0	1.8	9.3	-1,400	-11.2	-0.2	6.4	-1.6	12.5
100-200	10.8	0.0	0.2	3.3	-270	-1.1	1.7	25.0	-0.2	16.4
200-500	0.3	0.0	0.0	0.1	-10	0.0	2.3	29.2	0.0	20.2
500-1,000	0.0	0.0	0.0	0.0	0	0.0	0.9	10.8	0.0	23.9
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	2.0	25.5	0.0	29.8
All	42.4	0.0	1.8	100.0	-1,470	-8.0	0.0	100.0	-1.4	16.6

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2020 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	12,080	6.9	5,590	0.4	310	0.1	5,280	0.4	5.6
10-20	21,380	12.2	15,490	1.8	470	0.3	15,020	2.2	3.0
20-30	19,520	11.1	25,470	2.8	1,020	0.6	24,460	3.2	4.0
30-40	16,230	9.2	35,790	3.2	2,420	1.2	33,370	3.7	6.8
40-50	13,420	7.6	45,950	3.4	4,160	1.7	41,790	3.8	9.1
50-75	25,390	14.4	63,000	8.9	7,250	5.7	55,750	9.6	11.5
75-100	17,330	9.9	89,040	8.6	12,520	6.7	76,530	9.0	14.1
100-200	31,680	18.0	143,770	25.2	23,910	23.3	119,860	25.7	16.6
200-500	14,800	8.4	293,050	24.0	59,060	26.8	233,990	23.4	20.2
500-1,000	1,970	1.1	687,600	7.5	164,240	9.9	523,360	7.0	23.9
More than 1,000	850	0.5	3,015,910	14.2	897,870	23.5	2,118,050	12.2	29.8
All	#####	#####	102,670	100.0	18,520	100.0	84,150	100.0	18.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-1).

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 January 1, 2019. 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 ratably 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 2019. 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), unless they are an eligible student who receives the Pell Grant or meets a two-factor test, or they are an eligible caregiver for a child under the age of 6 or their spouse. Eligible students and caregivers are not subject to the credit phase-in period. Individuals who can be claimed as a dependent are not eligible for the credit. The investment income limitation for purposes of the EITC would apply to the CLR. Assumes the following take-up rates for 2019 (2024 and thereafter), take-up rates are assumed to rise between 2019 and 2023. Current law non-filing married couples: 70.0 (80.0); current law non-filing singles and heads of households: 60.0 (70.0), non-filing tax units with Pell Grants (additional 10.0 percentage points); filers eligible for EITC under current law who do not claim EITC: 50.0 (60.0); filers ineligible for current law EITC: singles 92.5 (95.0) and married couples 95.0 (97.5), assumes all recipients of the EITC would file to receive this credit. Also assumes that some tax units would report additional self-employment income to claim the credit. The additional patch is available for all CLR-eligible tax units filing as single or as head of household that have at least two children eligible for the EITC. The patch is set equal to: 12.55% of earned income up to the first EITC kink point for tax units with two children, and 18.75% of earned income up to the first EITC kink point for tax units with three or more children. The patch phases out at a rate of 5% from the second EITC kink point for tax units with two and three or more children.

Assumes 20% of MFJ couples with at least one filer aged 51 and up, and income-eligible for the CLR, would qualify as caregivers, that all MFJ couples that report additional self-employment income to claim the credit will receive the maximum credit, and an additional 5% of MFJ couples will report additional self-employment income.

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

(4) 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.

(5) 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.

**Table T20-0005**  
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**Replaces Earned Income Tax Credit**  
**With tax units with young children, 25+ dependents, and 51+ spouses included as caregivers**  
**Assuming additional self-employment income reporting**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2020 <sup>1</sup>**  
**Detail Table - Single Tax Units**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	51.7	0.0	33.7	14.7	-1,770	-424.8	-2.5	-2.0	-31.2	-23.9
10-20	52.8	0.0	13.0	25.4	-1,880	-199.9	-4.1	-2.2	-12.2	-6.1
20-30	59.1	0.0	9.2	22.4	-2,150	-107.7	-3.4	-0.3	-8.5	-0.6
30-40	64.3	0.0	7.3	18.9	-2,340	-63.3	-2.5	1.9	-6.5	3.8
40-50	65.6	0.0	4.5	11.5	-1,800	-31.9	-1.1	4.3	-3.9	8.4
50-75	38.2	0.0	1.0	6.1	-550	-6.1	1.6	16.5	-0.9	13.7
75-100	2.8	0.0	0.1	0.3	-60	-0.4	2.3	16.0	-0.1	17.6
100-200	1.0	0.0	0.0	0.1	-20	-0.1	4.4	29.8	0.0	19.8
200-500	0.0	0.0	0.0	0.0	0	0.0	2.3	15.5	0.0	22.7
500-1,000	0.0	0.0	0.0	0.0	0	0.0	0.8	5.3	0.0	27.9
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	2.3	15.1	0.0	32.6
All	43.8	0.0	3.1	100.0	-1,390	-14.9	0.0	100.0	-2.5	14.5

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2020 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	9,740	11.6	5,650	1.2	420	0.5	5,240	1.3	7.4
10-20	15,810	18.8	15,370	5.3	940	1.9	14,430	6.0	6.1
20-30	12,220	14.5	25,370	6.7	1,990	3.1	23,380	7.5	7.9
30-40	9,450	11.2	35,720	7.3	3,690	4.4	32,030	7.9	10.3
40-50	7,510	8.9	45,880	7.5	5,630	5.4	40,250	7.9	12.3
50-75	12,820	15.2	62,700	17.5	9,130	14.9	53,570	18.0	14.6
75-100	6,830	8.1	88,500	13.1	15,640	13.6	72,860	13.0	17.7
100-200	7,430	8.8	135,110	21.8	26,820	25.4	108,290	21.1	19.9
200-500	1,580	1.9	287,950	9.9	65,380	13.2	222,570	9.2	22.7
500-1,000	180	0.2	687,740	2.7	192,150	4.5	495,590	2.4	27.9
More than 1,000	100	0.1	3,151,780	6.7	1,028,430	12.8	2,123,360	5.4	32.6
All	84,330	#####	54,570	100.0	9,300	100.0	45,270	100.0	17.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-1).

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Assumes 20% of MFJ couples with at least one filer aged 51 and up, and income-eligible for the CLR, would qualify as caregivers, that all MFJ couples that report additional self-employment income to claim the credit will receive the maximum credit, and an additional 5% of MFJ couples will report additional self-employment income.

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

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(5) 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.

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**With tax units with young children, 25+ dependents, and 51+ spouses included as caregivers**  
**Assuming additional self-employment income reporting**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2020 <sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	50.7	0.0	76.9	4.1	-3,400	-2,166.7	-0.2	-0.2	-74.2	-70.8
10-20	58.0	0.0	24.5	8.1	-3,830	-1,567.6	-0.5	-0.4	-24.1	-22.6
20-30	64.4	0.0	15.7	11.5	-3,990	-968.4	-0.6	-0.6	-15.5	-13.9
30-40	64.1	0.0	11.3	10.6	-3,960	-479.0	-0.6	-0.5	-11.0	-8.7
40-50	64.0	0.0	9.6	10.7	-4,260	-224.2	-0.6	-0.3	-9.2	-5.1
50-75	66.5	0.0	7.6	27.2	-4,510	-95.8	-1.4	0.1	-7.1	0.3
75-100	68.3	0.0	3.9	19.8	-3,120	-31.7	-0.9	2.4	-3.5	7.5
100-200	15.5	0.0	0.3	7.1	-390	-1.7	0.8	22.7	-0.3	15.2
200-500	0.3	0.0	0.0	0.1	-10	0.0	1.8	35.0	0.0	19.8
500-1,000	0.0	0.0	0.0	0.0	0	0.0	0.7	13.1	0.0	23.4
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	1.5	28.6	0.0	29.4
All	33.2	0.0	1.3	100.0	-1,820	-5.3	0.0	100.0	-1.0	18.2

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2020 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,430	2.2	4,580	0.1	160	0.0	4,420	0.1	3.4
10-20	2,490	3.9	15,860	0.3	240	0.0	15,610	0.4	1.5
20-30	3,390	5.2	25,800	0.8	410	0.1	25,390	0.9	1.6
30-40	3,150	4.9	36,020	1.0	830	0.1	35,190	1.2	2.3
40-50	2,960	4.6	46,220	1.2	1,900	0.3	44,310	1.4	4.1
50-75	7,090	10.9	63,790	3.9	4,710	1.5	59,080	4.5	7.4
75-100	7,460	11.5	89,690	5.7	9,870	3.3	79,820	6.3	11.0
100-200	21,260	32.8	148,000	27.0	22,950	21.9	125,040	28.3	15.5
200-500	12,690	19.6	294,570	32.1	58,280	33.1	236,290	31.9	19.8
500-1,000	1,730	2.7	688,190	10.2	160,900	12.4	527,300	9.7	23.4
More than 1,000	720	1.1	2,880,070	17.7	845,860	27.1	2,034,220	15.5	29.4
All	64,790	#####	179,640	100.0	34,470	100.0	145,170	100.0	19.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-1).

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

1) Calendar years. Baseline is the law in place for each year as of January 1, 2019. 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 ratably 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 2019. 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), unless they are an eligible student who receives the Pell Grant or meets a two-factor test, or they are an eligible caregiver for a child under the age of 6 or their spouse. Eligible students and caregivers are not subject to the credit phase-in period. Individuals who can be claimed as a dependent are not eligible for the credit. The investment income limitation for purposes of the EITC would apply to the CLR. Assumes the following take-up rates for 2019 (2024 and thereafter), take-up rates are assumed to rise between 2019 and 2023. Current law non-filing married couples: 70.0 (80.0); current law non-filing singles and heads of households: 60.0 (70.0), non-filing tax units with Pell Grants (additional 10.0 percentage points); filers eligible for EITC under current law who do not claim EITC: 50.0 (60.0); filers ineligible for current law EITC: singles 92.5 (95.0) and married couples 95.0 (97.5), assumes all recipients of the EITC would file to receive this credit. Also assumes that some tax units would report additional self-employment income to claim the credit. The additional patch is available for all CLR-eligible tax units filing as single or as head of household that have at least two children eligible for the EITC. The patch is set equal to: 12.55% of earned income up to the first EITC kink point for tax units with two children, and 18.75% of earned income up to the first EITC kink point for tax units with three or more children. The patch phases out at a rate of 5% from the second EITC kink point for tax units with two and three or more children.

Assumes 20% of MFJ couples with at least one filer aged 51 and up, and income-eligible for the CLR, would qualify as caregivers, that all MFJ couples that report additional self-employment income to claim the credit will receive the maximum credit, and an additional 5% of MFJ couples will report additional self-employment income.

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

(4) 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.

(5) 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.

**Table T20-0005**  
**Economic Security Project's Cost-of-Living Refund (CLR) with Patch**  
**Replaces Earned Income Tax Credit**  
**With tax units with young children, 25+ dependents, and 51+ spouses included as caregivers**  
**Assuming additional self-employment income reporting**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2020 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	83.8	0.0	30.8	7.1	-2,260	297.0	-1.4	-1.8	-34.4	-46.0
10-20	91.6	0.0	7.1	14.5	-1,270	60.0	-3.4	-7.1	-8.0	-21.4
20-30	93.4	0.0	4.0	16.1	-1,100	56.5	-3.8	-8.2	-4.3	-12.0
30-40	94.4	0.0	4.7	22.4	-1,690	8,402.2	-4.1	-4.2	-4.7	-4.8
40-50	92.6	0.0	3.9	18.2	-1,690	-78.6	-2.7	0.9	-3.7	1.0
50-75	71.2	0.0	1.7	19.2	-990	-18.1	-0.5	16.0	-1.6	7.2
75-100	21.7	0.0	0.3	2.0	-200	-1.8	2.9	20.9	-0.2	12.3
100-200	2.3	0.0	0.0	0.2	-20	-0.1	6.6	42.8	0.0	16.8
200-500	0.0	0.0	0.0	0.0	0	0.0	2.7	17.4	0.0	21.5
500-1,000	0.0	0.0	0.0	0.0	0	0.0	0.7	4.5	0.0	27.5
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	2.9	18.7	0.0	30.2
All	68.9	0.0	1.9	100.0	-1,050	-15.6	0.0	100.0	-1.7	9.1

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2020 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	770	3.3	6,570	0.4	-760	-0.4	7,330	0.4	-11.6
10-20	2,800	12.0	15,800	3.0	-2,110	-3.8	17,910	3.9	-13.4
20-30	3,570	15.3	25,490	6.3	-1,950	-4.4	27,440	7.6	-7.6
30-40	3,250	14.0	35,710	8.0	-20	0.0	35,730	9.0	-0.1
40-50	2,640	11.3	45,890	8.3	2,150	3.6	43,740	8.9	4.7
50-75	4,730	20.3	62,710	20.4	5,480	16.5	57,230	20.9	8.7
75-100	2,550	10.9	88,690	15.6	11,080	18.0	77,610	15.3	12.5
100-200	2,510	10.8	134,860	23.4	22,620	36.2	112,250	21.8	16.8
200-500	400	1.7	269,050	7.4	57,710	14.7	211,330	6.5	21.5
500-1,000	30	0.1	669,900	1.5	184,150	3.8	485,750	1.2	27.5
More than 1,000	20	0.1	5,044,610	5.7	1,523,080	15.8	3,521,540	4.4	30.2
All	23,320	#####	62,250	100.0	6,730	100.0	55,520	100.0	10.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-1).

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

1) Calendar years. Baseline is the law in place for each year as of January 1, 2019. 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 ratably 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 2019. 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), unless they are an eligible student who receives the Pell Grant or meets a two-factor test, or they are an eligible caregiver for a child under the age of 6 or their spouse. Eligible students and caregivers are not subject to the credit phase-in period. Individuals who can be claimed as a dependent are not eligible for the credit. The investment income limitation for purposes of the EITC would apply to the CLR. Assumes the following take-up rates for 2019 (2024 and thereafter), take-up rates are assumed to rise between 2019 and 2023. Current law non-filing married couples: 70.0 (80.0); current law non-filing singles and heads of households: 60.0 (70.0), non-filing tax units with Pell Grants (additional 10.0 percentage points); filers eligible for EITC under current law who do not claim EITC: 50.0 (60.0); filers ineligible for current law EITC: singles 92.5 (95.0) and married couples 95.0 (97.5), assumes all recipients of the EITC would file to receive this credit. Also assumes that some tax units would report additional self-employment income to claim the credit. The additional patch is available for all CLR-eligible tax units filing as single or as head of household that have at least two children eligible for the EITC. The patch is set equal to: 12.55% of earned income up to the first EITC kink point for tax units with two children, and 18.75% of earned income up to the first EITC kink point for tax units with three or more children. The patch phases out at a rate of 5% from the second EITC kink point for tax units with two and three or more children.

Assumes 20% of MFJ couples with at least one filer aged 51 and up, and income-eligible for the CLR, would qualify as caregivers, that all MFJ couples that report additional self-employment income to claim the credit will receive the maximum credit, and an additional 5% of MFJ couples will report additional self-employment income.

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

(4) 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.

(5) 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.

**Table T20-0005**  
**Economic Security Project's Cost-of-Living Refund (CLR) with Patch**  
**Replaces Earned Income Tax Credit**  
**With tax units with young children, 25+ dependents, and 51+ spouses included as caregivers**  
**Assuming additional self-employment income reporting**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2020 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	87.4	0.0	37.4	4.5	-2,760	313.7	-0.3	-0.3	-42.4	-56.0
10-20	92.9	0.0	9.2	9.6	-1,660	75.1	-0.6	-1.3	-10.4	-24.3
20-30	92.9	0.0	5.8	11.9	-1,600	81.0	-0.7	-1.5	-6.3	-14.0
30-40	92.8	0.0	6.0	14.2	-2,150	973.7	-0.8	-0.9	-6.0	-6.7
40-50	90.9	0.0	5.5	12.8	-2,440	-135.9	-0.7	-0.2	-5.3	-1.4
50-75	77.6	0.0	4.4	26.7	-2,560	-49.2	-1.4	1.6	-4.1	4.2
75-100	56.2	0.0	2.6	15.3	-2,050	-19.2	-0.6	3.7	-2.3	9.7
100-200	12.7	0.0	0.2	4.4	-260	-1.1	1.0	22.5	-0.2	15.8
200-500	0.1	0.0	0.0	0.0	*	0.0	1.8	33.6	0.0	20.0
500-1,000	0.0	0.0	0.0	0.0	0	0.0	0.7	13.4	0.0	24.1
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	1.6	29.4	0.0	29.8
All	52.9	0.0	1.2	100.0	-1,350	-5.4	0.0	100.0	-1.0	17.2

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2020 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,180	2.2	6,500	0.1	-880	-0.1	7,380	0.1	-13.5
10-20	4,150	7.8	15,860	0.9	-2,210	-0.7	18,070	1.2	-13.9
20-30	5,320	10.0	25,500	1.8	-1,980	-0.8	27,480	2.4	-7.8
30-40	4,710	8.9	35,620	2.3	-220	-0.1	35,840	2.8	-0.6
40-50	3,740	7.0	45,930	2.3	1,800	0.5	44,130	2.7	3.9
50-75	7,470	14.1	63,220	6.4	5,200	2.9	58,020	7.2	8.2
75-100	5,360	10.1	89,290	6.5	10,670	4.3	78,620	7.0	12.0
100-200	12,290	23.2	146,770	24.5	23,400	21.5	123,370	25.1	15.9
200-500	7,210	13.6	294,700	28.8	58,970	31.8	235,740	28.2	20.0
500-1,000	1,020	1.9	687,460	9.5	165,760	12.7	521,700	8.8	24.1
More than 1,000	430	0.8	2,897,200	16.9	863,120	27.8	2,034,080	14.5	29.8
All	53,100	#####	138,840	100.0	25,190	100.0	113,660	100.0	18.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-1).

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

Note: Tax units with children are those claiming an exemption for children at home or away from home or with children qualifying for the Child Tax Credit or EITC.

1) Calendar years. Baseline is the law in place for each year as of January 1, 2019. 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 ratably 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 2019. 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), unless they are an eligible student who receives the Pell Grant or meets a two-factor test, or they are an eligible caregiver for a child under the age of 6 or their spouse. Eligible students and caregivers are not subject to the credit phase-in period. Individuals who can be claimed as a dependent are not eligible for the credit. The investment income limitation for purposes of the EITC would apply to the CLR. Assumes the following take-up rates for 2019 (2024 and thereafter), take-up rates are assumed to rise between 2019 and 2023. Current law non-filing married couples: 70.0 (80.0); current law non-filing singles and heads of households: 60.0 (70.0), non-filing tax units with Pell Grants (additional 10.0 percentage points); filers eligible for EITC under current law who do not claim EITC: 50.0 (60.0); filers ineligible for current law EITC: singles 92.5 (95.0) and married couples 95.0 (97.5), assumes all recipients of the EITC would file to receive this credit. Also assumes that some tax units would report additional self-employment income to claim the credit. The additional patch is available for all CLR-eligible tax units filing as single or as head of household that have at least two children eligible for the EITC. The patch is set equal to: 12.55% of earned income up to the first EITC kink point for tax units with two children, and 18.75% of earned income up to the first EITC kink point for tax units with three or more children. The patch phases out at a rate of 5% from the second EITC kink point for tax units with two and three or more children.

Assumes 20% of MFJ couples with at least one filer aged 51 and up, and income-eligible for the CLR, would qualify as caregivers, that all MFJ couples that report additional self-employment income to claim the credit will receive the maximum credit, and an additional 5% of MFJ couples will report additional self-employment income.

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

(4) 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.

(5) 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.

**Table T20-0005**  
**Economic Security Project's Cost-of-Living Refund (CLR) with Patch**  
**Replaces Earned Income Tax Credit**  
**With tax units with young children, 25+ dependents, and 51+ spouses included as caregivers**  
**Assuming additional self-employment income reporting**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2020 <sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	23.4	0.0	22.8	4.4	-1,100	-1,302.9	-0.4	-0.3	-22.4	-20.7
10-20	18.9	0.0	5.6	10.6	-870	-370.0	-0.8	-0.6	-5.5	-4.0
20-30	24.1	0.0	4.9	14.8	-1,210	-191.5	-1.2	-0.6	-4.7	-2.3
30-40	28.1	0.0	4.3	15.2	-1,490	-132.8	-1.2	-0.3	-4.2	-1.0
40-50	28.8	0.0	3.4	12.7	-1,510	-77.9	-0.9	0.3	-3.3	0.9
50-75	29.3	0.0	2.7	23.7	-1,600	-39.3	-1.6	3.0	-2.5	3.9
75-100	26.6	0.0	1.6	12.7	-1,280	-15.3	-0.5	5.8	-1.4	8.0
100-200	10.3	0.0	0.3	4.9	-320	-1.7	1.4	23.3	-0.2	13.4
200-500	0.3	0.0	0.0	0.1	-20	0.0	1.8	24.0	0.0	18.9
500-1,000	0.0	0.0	0.0	0.0	0	0.0	0.7	9.8	0.0	22.8
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	2.7	35.3	0.0	29.8
All	21.4	0.0	1.3	100.0	-1,060	-7.5	0.0	100.0	-1.1	14.0

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2020 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,830	4.2	4,930	0.2	90	0.0	4,840	0.3	1.7
10-20	5,610	12.9	15,870	2.2	240	0.2	15,640	2.6	1.5
20-30	5,660	13.0	25,610	3.6	630	0.6	24,980	4.1	2.5
30-40	4,690	10.7	35,910	4.2	1,130	0.9	34,780	4.7	3.1
40-50	3,880	8.9	45,920	4.4	1,940	1.2	43,970	5.0	4.2
50-75	6,880	15.8	62,680	10.6	4,060	4.5	58,630	11.7	6.5
75-100	4,590	10.5	88,930	10.1	8,390	6.3	80,540	10.7	9.4
100-200	7,070	16.2	140,060	24.4	19,060	21.9	121,010	24.9	13.6
200-500	2,430	5.6	296,890	17.8	56,240	22.2	240,650	17.0	18.9
500-1,000	350	0.8	692,510	6.0	158,050	9.0	534,460	5.4	22.8
More than 1,000	200	0.5	3,333,830	16.6	994,000	32.6	2,339,830	13.7	29.8
All	43,670	#####	92,920	100.0	14,070	100.0	78,850	100.0	15.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-1).

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

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

1) Calendar years. Baseline is the law in place for each year as of January 1, 2019. 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 ratably 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 2019. 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), unless they are an eligible student who receives the Pell Grant or meets a two-factor test, or they are an eligible caregiver for a child under the age of 6 or their spouse. Eligible students and caregivers are not subject to the credit phase-in period. Individuals who can be claimed as a dependent are not eligible for the credit. The investment income limitation for purposes of the EITC would apply to the CLR. Assumes the following take-up rates for 2019 (2024 and thereafter), take-up rates are assumed to rise between 2019 and 2023. Current law non-filing married couples: 70.0 (80.0); current law non-filing singles and heads of households: 60.0 (70.0), non-filing tax units with Pell Grants (additional 10.0 percentage points); filers eligible for EITC under current law who do not claim EITC: 50.0 (60.0); filers ineligible for current law EITC: singles 92.5 (95.0) and married couples 95.0 (97.5), assumes all recipients of the EITC would file to receive this credit. Also assumes that some tax units would report additional self-employment income to claim the credit. The additional patch is available for all CLR-eligible tax units filing as single or as head of household that have at least two children eligible for the EITC. The patch is set equal to: 12.55% of earned income up to the first EITC kink point for tax units with two children, and 18.75% of earned income up to the first EITC kink point for tax units with three or more children. The patch phases out at a rate of 5% from the second EITC kink point for tax units with two and three or more children.

Assumes 20% of MFJ couples with at least one filer aged 51 and up, and income-eligible for the CLR, would qualify as caregivers, that all MFJ couples that report additional self-employment income to claim the credit will receive the maximum credit, and an additional 5% of MFJ couples will report additional self-employment income.

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

(4) 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.

(5) 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.