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Table T20-0006
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 Percentile, 2020 ¹
Summary Table

Expanded Cash Income Percentile ^{2,3}	Tax Units with Tax Increase or Cut ⁴				Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁶	
	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	58.4	-3,500	0.0	0	14.0	36.4	-2,040	-13.5	-10.1
Second Quintile	68.7	-3,440	0.0	0	6.5	35.6	-2,360	-6.0	1.8
Middle Quintile	43.5	-3,710	0.0	0	2.6	22.0	-1,610	-2.3	10.3
Fourth Quintile	16.8	-2,760	0.0	0	0.4	5.3	-460	-0.4	15.5
Top Quintile	0.6	-3,640	0.0	0	0.0	0.2	-20	0.0	23.0
All	42.4	-3,470	0.0	0	1.8	100.0	-1,470	-1.4	16.6
Addendum									
80-90	1.1	-3,650	0.0	0	0.0	0.2	-40	0.0	18.6
90-95	0.1	-3,860	0.0	0	0.0	0.0	-10	0.0	20.2
95-99	0.1	-2,830	0.0	0	0.0	0.0	*	0.0	22.2
Top 1 Percent	0.0	0	0.0	0	0.0	0.0	0	0.0	29.4
Top 0.1 Percent	0.0	0	0.0	0	0.0	0.0	0	0.0	30.4

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) 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 2019 dollars): 20% \$26,300; 40% \$52,000; 60% \$92,100; 80% \$165,900; 90% \$242,500; 95% \$347,800; 99% \$830,400; 99.9% \$3,717,800.

(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.

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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 Percentile, 2020 ¹

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	58.4	0.0	14.0	36.4	-2,040	-393.3	-3.1	-2.4	-13.5	-10.1
Second Quintile	68.7	0.0	6.5	35.6	-2,360	-77.1	-2.8	0.9	-6.0	1.8
Middle Quintile	43.5	0.0	2.6	22.0	-1,610	-18.0	-1.1	8.7	-2.3	10.3
Fourth Quintile	16.8	0.0	0.4	5.3	-460	-2.3	1.1	19.3	-0.4	15.5
Top Quintile	0.6	0.0	0.0	0.2	-20	0.0	5.8	73.3	0.0	23.0
All	42.4	0.0	1.8	100.0	-1,470	-8.0	0.0	100.0	-1.4	16.6
Addendum										
80-90	1.1	0.0	0.0	0.2	-40	-0.1	1.3	15.9	0.0	18.6
90-95	0.1	0.0	0.0	0.0	-10	0.0	1.0	12.0	0.0	20.2
95-99	0.1	0.0	0.0	0.0	*	0.0	1.4	17.4	0.0	22.2
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	2.2	28.0	0.0	29.4
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	1.1	13.5	0.0	30.4

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile, 2020 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	#####	26.3	15,150	3.9	520	0.7	14,630	4.6	3.4	
Second Quintile	#####	22.2	39,180	8.5	3,060	3.7	36,120	9.5	7.8	
Middle Quintile	#####	20.1	71,720	14.0	8,970	9.7	62,750	15.0	12.5	
Fourth Quintile	#####	16.8	126,230	20.6	20,060	18.2	106,160	21.2	15.9	
Top Quintile	#####	14.0	388,380	53.0	89,230	67.5	299,150	49.8	23.0	
All	#####	#####	102,670	100.0	18,520	100.0	84,150	100.0	18.0	
Addendum										
80-90	#####	7.2	203,570	14.2	37,820	14.7	165,750	14.2	18.6	
90-95	6,120	3.5	292,120	9.9	58,890	11.1	233,220	9.6	20.2	
95-99	4,710	2.7	498,240	13.0	110,400	16.0	387,840	12.4	22.2	
Top 1 Percent	1,160	0.7	2,463,560	15.8	723,420	25.8	1,740,140	13.6	29.4	
Top 0.1 Percent	120	0.1	#####	7.4	3,410,600	12.4	7,825,190	6.3	30.4	

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) 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 2019 dollars): 20% \$26,300; 40% \$52,000; 60% \$92,100; 80% \$165,900; 90% \$242,500; 95% \$347,800; 99% \$830,400; 99.9% \$3,717,800.

(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.

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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 Percentile Adjusted for Family Size, 2020 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	62.3	0.0	14.5	30.6	-2,070	#####	-2.6	-2.7	-14.5	-14.6
Second Quintile	66.4	0.0	7.8	35.8	-2,560	-114.8	-2.9	-0.4	-7.3	-0.9
Middle Quintile	59.2	0.0	3.5	27.4	-1,980	-27.3	-1.7	6.3	-3.1	8.4
Fourth Quintile	14.5	0.0	0.4	5.3	-410	-2.4	1.1	18.6	-0.4	15.2
Top Quintile	0.9	0.0	0.0	0.4	-30	0.0	6.2	78.0	0.0	22.7
All	42.4	0.0	1.8	100.0	-1,470	-8.0	0.0	100.0	-1.4	16.6
Addendum										
80-90	1.5	0.0	0.0	0.3	-50	-0.2	1.3	17.0	0.0	18.4
90-95	0.5	0.0	0.0	0.1	-20	0.0	1.0	13.1	0.0	20.0
95-99	0.1	0.0	0.0	0.0	*	0.0	1.5	18.8	0.0	22.0
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	2.3	29.1	0.0	29.1
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	1.1	14.1	0.0	30.4

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2020 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	#####	21.8	14,240	3.0	-10	0.0	14,260	3.7	-0.1	
Second Quintile	#####	20.6	35,090	7.0	2,230	2.5	32,860	8.1	6.4	
Middle Quintile	#####	20.4	63,280	12.6	7,270	8.0	56,010	13.6	11.5	
Fourth Quintile	#####	18.9	110,420	20.4	17,140	17.5	93,280	21.0	15.5	
Top Quintile	#####	17.6	332,110	57.0	75,460	71.8	256,650	53.7	22.7	
All	#####	#####	102,670	100.0	18,520	100.0	84,150	100.0	18.0	
Addendum										
80-90	#####	9.0	174,580	15.4	32,180	15.7	142,400	15.3	18.4	
90-95	7,760	4.4	252,360	10.9	50,510	12.0	201,860	10.6	20.0	
95-99	5,920	3.4	432,500	14.2	95,040	17.3	337,460	13.5	22.0	
Top 1 Percent	1,400	0.8	2,137,360	16.6	622,140	26.8	1,515,220	14.4	29.1	
Top 0.1 Percent	140	0.1	9,780,870	7.7	2,969,740	13.0	6,811,140	6.5	30.4	

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) 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 2019 dollars): 20% \$18,300; 40% \$35,300; 60% \$60,200; 80% \$101,500; 90% \$147,000; 95% \$206,700; 99% \$481,500; 99.9% \$2,154,700.

(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.

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Assuming additional self-employment income reporting
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2020 ¹
Detail Table - Single Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	53.9	0.0	16.9	36.8	-1,810	-311.9	-6.1	-4.4	-16.1	-10.9
Second Quintile	58.7	0.0	8.8	36.8	-2,190	-91.3	-5.4	0.6	-8.0	0.8
Middle Quintile	62.7	0.0	3.8	24.6	-1,600	-25.6	-1.8	12.5	-3.3	9.6
Fourth Quintile	7.7	0.0	0.2	1.2	-100	-0.8	3.8	26.8	-0.1	16.7
Top Quintile	0.7	0.0	0.0	0.1	-20	0.0	9.6	64.2	0.0	23.3
All	43.8	0.0	3.1	100.0	-1,390	-14.9	0.0	100.0	-2.5	14.5
Addendum										
80-90	1.0	0.0	0.0	0.1	-30	-0.1	2.7	18.4	0.0	19.5
90-95	0.5	0.0	0.0	0.0	-10	0.0	1.7	11.5	0.0	20.7
95-99	0.0	0.0	0.0	0.0	0	0.0	2.1	13.9	0.0	22.9
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	3.1	20.5	0.0	31.2
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	1.6	10.5	0.0	32.7

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2020 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	#####	28.3	11,260	5.8	580	1.8	10,680	6.7	5.1
Second Quintile	#####	23.3	27,380	11.7	2,400	6.0	24,980	12.8	8.8
Middle Quintile	#####	21.4	48,400	18.9	6,250	14.3	42,150	19.9	12.9
Fourth Quintile	#####	15.8	80,210	23.3	13,500	23.0	66,710	23.3	16.8
Top Quintile	8,850	10.5	208,300	40.1	48,460	54.7	159,830	37.1	23.3
All	#####	#####	54,570	100.0	9,300	100.0	45,270	100.0	17.1
Addendum									
80-90	5,100	6.1	123,600	13.7	24,130	15.7	99,470	13.3	19.5
90-95	2,100	2.5	176,730	8.1	36,600	9.8	140,130	7.7	20.7
95-99	1,360	1.6	297,490	8.8	68,000	11.8	229,480	8.2	22.9
Top 1 Percent	290	0.3	1,513,730	9.5	472,430	17.4	1,041,300	7.9	31.2
Top 0.1 Percent	30	0.0	6,604,420	4.7	2,160,350	8.9	4,444,080	3.8	32.7

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.

<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 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 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 2019 dollars): 20% \$18,300; 40% \$35,300; 60% \$60,200; 80% \$101,500; 90% \$147,000; 95% \$206,700; 99% \$481,500; 99.9% \$2,154,700.

(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.

Table T20-0006
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 Percentile Adjusted for Family Size, 2020 ¹
Detail Table - Married Tax Units Filing Jointly

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	63.9	0.0	20.4	22.9	-3,800	#####	-1.3	-1.3	-20.3	-20.3
Second Quintile	66.3	0.0	10.2	32.3	-4,440	-183.9	-1.8	-0.8	-9.7	-4.4
Middle Quintile	61.4	0.0	4.4	32.9	-3,280	-38.6	-1.6	2.9	-4.0	6.3
Fourth Quintile	22.8	0.0	0.6	10.4	-750	-3.7	0.2	15.0	-0.6	14.2
Top Quintile	1.1	0.0	0.0	0.7	-40	-0.1	4.4	84.0	0.0	22.5
All	33.2	0.0	1.3	100.0	-1,820	-5.3	0.0	100.0	-1.0	18.2
Addendum										
80-90	1.9	0.0	0.0	0.6	-70	-0.2	0.9	16.9	0.0	18.0
90-95	0.5	0.0	0.0	0.1	-20	0.0	0.7	14.1	0.0	19.8
95-99	0.1	0.0	0.0	0.0	*	0.0	1.1	21.4	0.0	21.7
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	1.7	31.7	0.0	28.7
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.8	14.5	0.0	30.0

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2020 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	7,080	10.9	18,700	1.1	10	0.0	18,700	1.4	0.0	
Second Quintile	8,560	13.2	46,020	3.4	2,420	0.9	43,610	4.0	5.3	
Middle Quintile	#####	18.2	82,660	8.4	8,500	4.5	74,160	9.3	10.3	
Fourth Quintile	#####	25.4	135,600	19.2	19,990	14.7	115,610	20.2	14.7	
Top Quintile	#####	31.6	386,110	68.0	86,830	79.6	299,270	65.2	22.5	
All	#####	#####	179,640	100.0	34,470	100.0	145,170	100.0	19.2	
Addendum										
80-90	9,820	15.2	202,650	17.1	36,490	16.0	166,160	17.4	18.0	
90-95	5,270	8.1	284,880	12.9	56,400	13.3	228,480	12.8	19.8	
95-99	4,350	6.7	478,170	17.9	103,900	20.2	374,260	17.3	21.7	
Top 1 Percent	1,040	1.6	2,240,890	20.1	643,370	30.1	1,597,520	17.7	28.7	
Top 0.1 Percent	100	0.2	#####	8.8	3,117,650	13.7	7,261,410	7.6	30.0	

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 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 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 2019 dollars): 20% \$18,300; 40% \$35,300; 60% \$60,200; 80% \$101,500; 90% \$147,000; 95% \$206,700; 99% \$481,500; 99.9% \$2,154,700.

(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.

Table T20-0006
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 Percentile Adjusted for Family Size, 2020 ¹
Detail Table - Head of Household Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	92.1	0.0	5.9	37.6	-1,310	61.8	-8.7	-18.1	-6.6	-17.2
Second Quintile	92.9	0.0	3.8	47.6	-1,580	-114.7	-7.6	-1.1	-3.7	-0.5
Middle Quintile	52.2	0.0	1.1	14.3	-680	-8.7	2.1	27.4	-0.9	9.8
Fourth Quintile	2.3	0.0	0.0	0.3	-30	-0.2	5.7	36.6	0.0	15.9
Top Quintile	0.3	0.0	0.0	0.0	*	0.0	8.6	55.2	0.0	23.3
All	68.9	0.0	1.9	100.0	-1,050	-15.6	0.0	100.0	-1.7	9.1
Addendum										
80-90	0.5	0.0	0.0	0.0	-10	0.0	2.6	16.7	0.0	19.0
90-95	0.0	0.0	0.0	0.0	0	0.0	1.5	9.9	0.0	20.6
95-99	0.0	0.0	0.0	0.0	0	0.0	1.3	8.3	0.0	24.6
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	3.2	20.4	0.0	30.1
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	2.1	13.7	0.0	30.2

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2020 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	7,000	30.0	19,980	9.6	-2,120	-9.5	22,100	12.0	-10.6	
Second Quintile	7,380	31.6	43,260	22.0	1,380	6.5	41,890	23.9	3.2	
Middle Quintile	5,120	21.9	72,560	25.6	7,790	25.4	64,780	25.6	10.7	
Fourth Quintile	2,690	11.6	113,650	21.1	18,060	31.0	95,590	19.9	15.9	
Top Quintile	1,090	4.7	289,720	21.7	67,490	46.6	222,230	18.6	23.3	
All	*****	*****	62,250	100.0	6,730	100.0	55,520	100.0	10.8	
Addendum										
80-90	680	2.9	171,190	8.0	32,550	14.1	138,650	7.3	19.0	
90-95	270	1.2	235,650	4.4	48,630	8.4	187,020	3.9	20.6	
95-99	110	0.5	411,830	3.1	101,410	7.0	310,420	2.6	24.6	
Top 1 Percent	30	0.1	3,340,680	6.2	1,004,460	17.2	2,336,220	4.9	30.1	
Top 0.1 Percent	*	0.0	*****	4.2	6,280,780	11.6	*****	3.2	30.2	

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 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 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 2019 dollars): 20% \$18,300; 40% \$35,300; 60% \$60,200; 80% \$101,500; 90% \$147,000; 95% \$206,700; 99% \$481,500; 99.9% \$2,154,700.

(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.

Table T20-0006
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 Percentile Adjusted for Family Size, 2020 ¹
Detail Table - Tax Units with Children

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	92.1	0.0	8.3	30.2	-1,920	94.1	-1.8	-3.5	-9.2	-18.9
Second Quintile	91.0	0.0	5.7	41.9	-2,600	-138.5	-2.3	-0.7	-5.5	-1.5
Middle Quintile	60.5	0.0	2.3	25.7	-1,720	-17.3	-1.0	6.9	-2.0	9.6
Fourth Quintile	6.3	0.0	0.1	1.6	-120	-0.5	0.9	18.9	-0.1	16.1
Top Quintile	0.1	0.0	0.0	0.1	*	0.0	4.2	78.2	0.0	23.6
All	52.9	0.0	1.2	100.0	-1,350	-5.4	0.0	100.0	-1.0	17.2
Addendum										
80-90	0.2	0.0	0.0	0.0	-10	0.0	0.9	16.5	0.0	19.2
90-95	0.1	0.0	0.0	0.0	*	0.0	0.7	12.5	0.0	20.6
95-99	0.0	0.0	0.0	0.0	0	0.0	1.0	19.1	0.0	23.1
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	1.6	30.1	0.0	29.6
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.7	13.8	0.0	30.2

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2020 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	#####	21.2	20,950	3.2	-2,040	-1.7	22,990	4.3	-9.7	
Second Quintile	#####	21.7	47,160	7.4	1,880	1.6	45,290	8.7	4.0	
Middle Quintile	#####	20.2	85,860	12.5	9,930	8.0	75,930	13.5	11.6	
Fourth Quintile	#####	18.8	149,130	20.2	24,060	18.0	125,070	20.7	16.1	
Top Quintile	9,390	17.7	446,090	56.8	105,350	74.0	340,740	53.0	23.6	
All	#####	#####	138,840	100.0	25,190	100.0	113,660	100.0	18.1	
Addendum										
80-90	4,740	8.9	229,940	14.8	44,070	15.6	185,870	14.6	19.2	
90-95	2,320	4.4	330,620	10.4	68,060	11.8	262,560	10.1	20.6	
95-99	1,860	3.5	562,640	14.2	129,930	18.1	432,710	13.4	23.1	
Top 1 Percent	470	0.9	2,717,510	17.4	805,040	28.5	1,912,470	15.0	29.6	
Top 0.1 Percent	50	0.1	#####	7.9	3,813,610	13.1	8,819,980	6.7	30.2	

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>

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(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.

Table T20-0006
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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 Percentile Adjusted for Family Size, 2020 ¹
Detail Table - Elderly Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	23.9	0.0	8.9	19.3	-1,210	-609.4	-1.6	-1.3	-8.8	-7.4
Second Quintile	27.6	0.0	4.9	34.7	-1,500	-183.9	-2.7	-1.3	-4.8	-2.2
Middle Quintile	29.7	0.0	2.8	33.3	-1,530	-47.4	-2.3	3.0	-2.7	3.0
Fourth Quintile	17.8	0.0	0.7	11.1	-620	-5.8	0.3	14.5	-0.6	10.0
Top Quintile	1.3	0.0	0.0	0.6	-40	-0.1	6.3	84.7	0.0	21.7
All	21.4	0.0	1.3	100.0	-1,060	-7.5	0.0	100.0	-1.1	14.0
Addendum										
80-90	2.2	0.0	0.1	0.5	-70	-0.3	1.0	14.2	-0.1	15.1
90-95	0.6	0.0	0.0	0.1	-20	0.0	0.9	11.5	0.0	17.5
95-99	0.1	0.0	0.0	0.0	*	0.0	1.4	18.0	0.0	20.1
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	3.1	41.0	0.0	29.0
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	1.7	22.9	0.0	30.5

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2020 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	7,410	17.0	13,730	2.5	200	0.2	13,530	2.9	1.4	
Second Quintile	#####	24.5	31,540	8.3	820	1.4	30,720	9.5	2.6	
Middle Quintile	#####	23.0	57,250	14.2	3,230	5.3	54,020	15.8	5.6	
Fourth Quintile	8,300	19.0	99,150	20.3	10,550	14.3	88,610	21.4	10.6	
Top Quintile	6,740	15.4	328,950	54.7	71,370	78.3	257,580	50.4	21.7	
All	#####	#####	92,920	100.0	14,070	100.0	78,850	100.0	15.1	
Addendum										
80-90	3,430	7.9	155,970	13.2	23,590	13.2	132,370	13.2	15.1	
90-95	1,640	3.8	225,910	9.2	39,600	10.6	186,310	8.9	17.5	
95-99	1,310	3.0	390,130	12.5	78,540	16.7	311,590	11.8	20.1	
Top 1 Percent	370	0.8	2,188,980	19.8	634,500	37.9	1,554,490	16.6	29.0	
Top 0.1 Percent	50	0.1	8,879,100	10.5	2,709,650	21.1	6,169,450	8.6	30.5	

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) 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 2019 dollars): 20% \$18,300; 40% \$35,300; 60% \$60,200; 80% \$101,500; 90% \$147,000; 95% \$206,700; 99% \$481,500; 99.9% \$2,154,700.

(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.