

**Table T21-0053**  
**Tax Benefit of the Child and Dependent Care Tax Credit**  
**Baseline: Current Law (After Passage of the American Rescue Plan Act)**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2021 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Benefit as a Percent of After-Tax Income <sup>5</sup>	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate <sup>7</sup>	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes <sup>6</sup>	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	1.0	99.0	0.1	4.8	20	-0.7	-4.5	-4.5	-18.1	-17.9
Second Quintile	3.2	96.8	0.2	18.2	70	-8.4	-1.4	-1.2	-2.4	-2.2
Middle Quintile	4.1	95.9	0.2	23.1	100	2.2	6.6	6.7	6.7	6.8
Fourth Quintile	6.9	93.1	0.2	30.3	160	1.1	17.6	17.7	12.3	12.5
Top Quintile	8.9	91.1	0.1	23.6	150	0.2	81.7	81.4	22.7	22.7
All	4.2	95.8	0.1	100.0	90	0.6	100.0	100.0	14.6	14.7
<b>Addendum</b>										
80-90	9.7	90.3	0.1	16.5	200	0.6	17.1	17.1	17.1	17.2
90-95	10.4	89.6	0.1	5.0	130	0.2	14.1	14.1	20.6	20.6
95-99	6.7	93.3	0.0	2.1	70	0.1	20.6	20.5	23.1	23.1
Top 1 Percent	*	**	0.0	0.0	0	0.0	29.9	29.7	29.1	29.1
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	13.7	13.6	29.5	29.5

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile, 2021 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	44,330	25.3	14,360	3.7	-2,590	-4.5	16,950	5.1	-18.1	
Second Quintile	38,420	21.9	37,720	8.4	-890	-1.4	38,620	10.0	-2.4	
Middle Quintile	35,490	20.2	69,900	14.3	4,670	6.6	65,230	15.6	6.7	
Fourth Quintile	29,440	16.8	123,180	20.9	15,170	17.6	108,010	21.4	12.3	
Top Quintile	24,680	14.1	369,800	52.6	83,810	81.7	285,980	47.6	22.7	
All	#####	100.0	98,930	100.0	14,420	100.0	84,500	100.0	14.6	
<b>Addendum</b>										
80-90	12,740	7.3	198,810	14.6	33,970	17.1	164,840	14.2	17.1	
90-95	6,080	3.5	285,720	10.0	58,750	14.1	226,970	9.3	20.6	
95-99	4,720	2.7	478,680	13.0	110,530	20.6	368,150	11.7	23.1	
Top 1 Percent	1,150	0.7	2,264,120	15.0	659,650	29.9	1,604,470	12.4	29.1	
Top 0.1 Percent	120	0.1	10,033,740	6.8	2,963,980	13.7	7,069,760	5.6	29.5	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0920-2).

Number of AMT Taxpayers (millions). Baseline: 0.2 Proposal: 0.2

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

(1) Calendar year. Baseline is the law currently in place as of Mar 11, 2021 including provisions in H.R.1319, The American Rescue Plan Act of 2021. Table shows the tax benefits of the child and dependent care tax credit under current law (as modified by H.R. 1319).

<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 2020 dollars): 20% \$25,500; 40% \$51,000; 60% \$91,100; 80% \$164,300; 90% \$240,900; 95% \$341,700; 99% \$799,100; 99.9% \$3,496,400.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(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) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

(7) 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 T21-0053**  
**Tax Benefit of the Child and Dependent Care Tax Credit**  
**Baseline: Current Law (After Passage of the American Rescue Plan Act)**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2021 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Benefit as a Percent of After-Tax Income <sup>5</sup>	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate <sup>7</sup>	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes <sup>6</sup>	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	1.6	98.4	0.2	6.3	30	-0.7	-5.8	-5.7	-29.9	-29.7
Second Quintile	3.8	96.2	0.3	21.5	90	-5.1	-2.6	-2.5	-5.5	-5.2
Middle Quintile	4.8	95.2	0.2	26.8	120	3.9	4.3	4.5	4.9	5.1
Fourth Quintile	6.2	93.8	0.2	30.4	140	1.1	16.8	16.9	11.9	12.0
Top Quintile	5.2	94.8	0.0	15.0	80	0.1	87.3	86.9	22.5	22.5
All	4.2	95.8	0.1	100.0	90	0.6	100.0	100.0	14.6	14.7
<b>Addendum</b>										
80-90	6.0	94.0	0.1	10.5	100	0.4	18.6	18.6	17.4	17.5
90-95	6.1	94.0	0.0	3.3	70	0.1	15.3	15.2	20.3	20.3
95-99	3.0	97.0	0.0	1.2	30	0.0	22.2	22.1	22.7	22.7
Top 1 Percent	*	**	0.0	0.0	0	0.0	31.2	31.0	28.9	28.9
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	14.4	14.3	29.5	29.5

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2021 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	36,490	20.8	13,440	2.8	-4,010	-5.8	17,450	4.3	-29.9	
Second Quintile	36,000	20.5	33,640	7.0	-1,850	-2.6	35,490	8.6	-5.5	
Middle Quintile	35,610	20.3	61,950	12.7	3,060	4.3	58,890	14.1	4.9	
Fourth Quintile	33,270	19.0	107,610	20.6	12,770	16.8	94,840	21.3	11.9	
Top Quintile	30,990	17.7	317,310	56.6	71,350	87.3	245,960	51.4	22.5	
All	175,540	100.0	98,930	100.0	14,420	100.0	84,500	100.0	14.6	
<b>Addendum</b>										
80-90	15,870	9.0	170,750	15.6	29,700	18.6	141,050	15.1	17.4	
90-95	7,730	4.4	247,000	11.0	50,130	15.3	196,870	10.3	20.3	
95-99	6,000	3.4	413,540	14.3	93,820	22.2	319,730	12.9	22.7	
Top 1 Percent	1,390	0.8	1,961,220	15.8	566,410	31.2	1,394,810	13.1	28.9	
Top 0.1 Percent	140	0.1	8,687,600	7.1	2,563,530	14.4	6,124,070	5.9	29.5	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0920-2).

Number of AMT Taxpayers (millions). Baseline: 0.2 Proposal: 0.2

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

(1) Calendar year. Baseline is the law currently in place as of Mar 11, 2021 including provisions in H.R.1319, The American Rescue Plan Act of 2021. Table shows the tax benefits of the child and dependent care tax credit under current law (as modified by H.R. 1319).

<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 2020 dollars): 20% \$17,600; 40% \$34,800; 60% \$59,800; 80% \$100,600; 90% \$145,700; 95% \$204,000; 99% \$463,200; 99.9% \$2,009,900.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(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) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

(7) 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 T21-0053**  
**Tax Benefit of the Child and Dependent Care Tax Credit**  
**Baseline: Current Law (After Passage of the American Rescue Plan Act)**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2021 <sup>1</sup>**  
**Detail Table - Single Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Benefit as a Percent of After-Tax Income <sup>5</sup>	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate <sup>7</sup>	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes <sup>6</sup>	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	0.5	99.5	0.1	21.6	10	-0.5	-6.2	-6.1	-16.2	-16.1
Second Quintile	0.5	99.5	0.1	41.0	20	7.5	0.8	0.8	0.9	1.0
Middle Quintile	0.4	99.7	0.0	20.9	10	0.3	11.6	11.6	8.3	8.3
Fourth Quintile	0.3	99.7	0.0	11.8	10	0.1	25.2	25.2	14.4	14.4
Top Quintile	0.2	99.8	0.0	4.7	*	0.0	68.7	68.6	22.9	22.9
All	0.4	99.6	0.0	100.0	10	0.1	100.0	100.0	13.4	13.5
<b>Addendum</b>										
80-90	0.3	99.7	0.0	4.2	10	0.0	19.7	19.7	19.0	19.0
90-95	0.2	99.8	0.0	0.5	*	0.0	12.5	12.5	20.7	20.7
95-99	*	**	0.0	0.0	0	0.0	15.9	15.9	23.2	23.2
Top 1 Percent	0.0	100.0	0.0	0.0	0	0.0	20.6	20.6	30.7	30.7
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	10.0	10.0	31.2	31.2

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2021 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	22,170	26.4	10,360	5.1	-1,680	-6.2	12,030	6.9	-16.2	
Second Quintile	19,900	23.7	26,250	11.7	230	0.8	26,020	13.4	0.9	
Middle Quintile	17,760	21.1	47,290	18.8	3,930	11.6	43,360	19.9	8.3	
Fourth Quintile	13,450	16.0	78,330	23.5	11,280	25.2	67,040	23.3	14.4	
Top Quintile	8,970	10.7	201,260	40.3	46,130	68.7	155,130	35.9	22.9	
All	84,040	100.0	53,300	100.0	7,160	100.0	46,140	100.0	13.4	
<b>Addendum</b>										
80-90	5,130	6.1	121,450	13.9	23,100	19.7	98,350	13.0	19.0	
90-95	2,100	2.5	173,720	8.1	35,900	12.5	137,830	7.5	20.7	
95-99	1,450	1.7	284,230	9.2	65,830	15.9	218,400	8.2	23.2	
Top 1 Percent	290	0.3	1,396,970	9.0	428,940	20.6	968,030	7.2	30.7	
Top 0.1 Percent	30	0.0	5,877,030	4.3	1,832,580	10.0	4,044,450	3.4	31.2	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0920-2).

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

(1) Calendar year. Baseline is the law currently in place as of Mar 11, 2021 including provisions in H.R.1319, The American Rescue Plan Act of 2021. Table shows the tax benefits of the child and dependent care tax credit under current law (as modified by H.R. 1319).

<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

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(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(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) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

(7) 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 T21-0053**  
**Tax Benefit of the Child and Dependent Care Tax Credit**  
**Baseline: Current Law (After Passage of the American Rescue Plan Act)**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2021 <sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Benefit as a Percent of After-Tax Income <sup>5</sup>	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate <sup>7</sup>	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes <sup>6</sup>	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	0.4	99.6	0.0	0.5	10	-0.1	-2.3	-2.3	-35.2	-35.2
Second Quintile	2.6	97.4	0.1	4.8	50	-1.2	-1.7	-1.7	-8.5	-8.4
Middle Quintile	6.9	93.1	0.2	21.2	140	6.1	1.5	1.5	2.8	3.0
Fourth Quintile	10.1	89.9	0.2	46.5	220	1.6	12.2	12.3	10.5	10.7
Top Quintile	7.2	92.8	0.0	27.0	100	0.1	90.3	90.1	22.3	22.4
All	6.4	93.6	0.1	100.0	120	0.4	100.0	100.0	16.7	16.7
<b>Addendum</b>										
80-90	8.8	91.2	0.1	18.6	150	0.5	17.4	17.4	16.8	16.8
90-95	8.4	91.7	0.0	6.1	90	0.2	15.9	15.8	20.2	20.2
95-99	3.9	96.1	0.0	2.3	40	0.0	24.2	24.1	22.5	22.5
Top 1 Percent	*	**	0.0	0.0	0	0.0	32.9	32.7	28.6	28.6
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	14.3	14.3	29.4	29.4

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2021 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	6,720	10.4	18,100	1.1	-6,370	-2.3	24,470	1.8	-35.2	
Second Quintile	8,250	12.8	44,640	3.3	-3,780	-1.7	48,420	4.3	-8.5	
Middle Quintile	11,880	18.4	80,790	8.6	2,280	1.5	78,510	10.1	2.8	
Fourth Quintile	16,260	25.2	132,250	19.3	13,880	12.2	118,370	20.8	10.5	
Top Quintile	20,330	31.5	369,310	67.5	82,420	90.3	286,890	62.9	22.3	
All	64,640	100.0	172,110	100.0	28,690	100.0	143,420	100.0	16.7	
<b>Addendum</b>										
80-90	9,740	15.1	198,090	17.3	33,200	17.4	164,890	17.3	16.8	
90-95	5,230	8.1	278,760	13.1	56,270	15.9	222,490	12.6	20.2	
95-99	4,330	6.7	460,140	17.9	103,640	24.2	356,510	16.7	22.5	
Top 1 Percent	1,030	1.6	2,061,610	19.1	590,090	32.9	1,471,520	16.4	28.6	
Top 0.1 Percent	100	0.2	9,317,360	8.1	2,737,310	14.3	6,580,060	6.9	29.4	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0920-2).

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(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) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

(7) 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 T21-0053**  
**Tax Benefit of the Child and Dependent Care Tax Credit**  
**Baseline: Current Law (After Passage of the American Rescue Plan Act)**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2021 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Benefit as a Percent of After-Tax Income <sup>5</sup>	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate <sup>7</sup>	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes <sup>6</sup>	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	6.1	93.9	0.4	10.9	110	-1.2	-1,632.7	-585.8	-49.1	-48.5
Second Quintile	14.7	85.4	0.8	37.4	370	-6.5	-1,013.8	-344.2	-13.6	-12.7
Middle Quintile	16.9	83.1	0.7	33.7	480	35.4	166.9	82.1	1.9	2.6
Fourth Quintile	13.8	86.2	0.4	15.0	390	2.9	905.0	338.1	11.8	12.2
Top Quintile	11.3	88.7	0.1	3.1	200	0.3	1,685.0	613.7	22.2	22.3
All	12.2	87.8	0.5	100.0	300	175.5	100.0	100.0	0.3	0.8
<b>Addendum</b>										
80-90	12.3	87.7	0.2	2.3	230	0.8	535.6	195.9	18.1	18.2
90-95	10.2	89.8	0.1	0.6	150	0.3	315.9	115.0	20.2	20.3
95-99	10.8	89.2	0.0	0.2	120	0.1	255.7	92.9	24.6	24.6
Top 1 Percent	0.2	99.8	0.0	0.0	*	0.0	577.8	209.8	28.7	28.7
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	365.3	132.6	28.3	28.3

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2021 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	7,200	30.8	18,650	9.5	-9,150	-1,632.7	27,800	14.3	-49.1
Second Quintile	7,210	30.9	41,740	21.4	-5,670	-1,013.8	47,410	24.4	-13.6
Middle Quintile	5,010	21.4	71,080	25.3	1,340	166.9	69,740	24.9	1.9
Fourth Quintile	2,760	11.8	112,020	21.9	13,260	905.0	98,770	19.4	11.8
Top Quintile	1,110	4.7	275,840	21.7	61,290	1,685.0	214,550	17.0	22.2
All	23,380	100.0	60,200	100.0	170	100.0	60,030	100.0	0.3
<b>Addendum</b>									
80-90	710	3.0	169,800	8.5	30,660	535.6	139,130	7.0	18.1
90-95	270	1.2	232,750	4.5	47,110	315.9	185,640	3.6	20.2
95-99	110	0.5	396,140	3.0	97,270	255.7	298,880	2.3	24.6
Top 1 Percent	30	0.1	2,920,150	5.8	837,190	577.8	2,082,960	4.1	28.7
Top 0.1 Percent	*	0.0	15,848,880	3.7	4,484,110	365.3	11,364,770	2.7	28.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0920-2).

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

(1) Calendar year. Baseline is the law currently in place as of Mar 11, 2021 including provisions in H.R.1319, The American Rescue Plan Act of 2021. Table shows the tax benefits of the child and dependent care tax credit under current law (as modified by H.R. 1319).

<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 2020 dollars): 20% \$17,600; 40% \$34,800; 60% \$59,800; 80% \$100,600; 90% \$145,700; 95% \$204,000; 99% \$463,200; 99.9% \$2,009,900.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(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) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

(7) 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 T21-0053**  
**Tax Benefit of the Child and Dependent Care Tax Credit**  
**Baseline: Current Law (After Passage of the American Rescue Plan Act)**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2021 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Benefit as a Percent of After-Tax Income <sup>5</sup>	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate <sup>7</sup>	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes <sup>6</sup>	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	5.0	95.0	0.3	6.3	90	-0.9	-12.0	-11.7	-50.8	-50.4
Second Quintile	12.2	87.8	0.6	21.5	300	-4.8	-7.3	-6.9	-13.7	-13.0
Middle Quintile	16.3	83.7	0.5	26.8	400	21.4	2.1	2.5	2.2	2.7
Fourth Quintile	20.6	79.4	0.4	30.4	480	2.9	17.4	17.6	11.5	11.8
Top Quintile	17.1	82.9	0.1	15.0	250	0.3	99.9	98.5	23.9	23.9
All	13.8	86.2	0.3	100.0	300	1.6	100.0	100.0	13.5	13.8
<b>Addendum</b>										
80-90	20.0	80.0	0.2	10.5	340	0.8	20.7	20.5	18.5	18.6
90-95	20.1	79.9	0.1	3.3	220	0.3	17.2	17.0	21.9	22.0
95-99	9.9	90.1	0.0	1.2	110	0.1	25.3	24.9	24.4	24.4
Top 1 Percent	*	**	0.0	0.0	0	0.0	36.7	36.1	29.6	29.6
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	15.9	15.6	29.4	29.4

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2021 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	11,570	21.8	19,630	3.2	-9,970	-12.0	29,590	5.6	-50.8	
Second Quintile	11,250	21.2	45,490	7.2	-6,230	-7.3	51,710	9.5	-13.7	
Middle Quintile	10,590	20.0	84,140	12.6	1,860	2.1	82,280	14.2	2.2	
Fourth Quintile	9,970	18.8	145,410	20.5	16,740	17.4	128,670	20.9	11.5	
Top Quintile	9,420	17.7	425,870	56.6	101,610	99.9	324,270	49.9	23.9	
All	53,110	100.0	133,330	100.0	18,040	100.0	115,290	100.0	13.5	
<b>Addendum</b>										
80-90	4,780	9.0	224,880	15.2	41,530	20.7	183,360	14.3	18.5	
90-95	2,330	4.4	323,350	10.6	70,760	17.2	252,590	9.6	21.9	
95-99	1,830	3.5	542,370	14.0	132,170	25.3	410,200	12.3	24.4	
Top 1 Percent	480	0.9	2,491,550	16.8	736,370	36.7	1,755,180	13.7	29.6	
Top 0.1 Percent	50	0.1	11,176,090	7.3	3,284,160	15.9	7,891,930	6.0	29.4	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0920-2).

\* 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 year. Baseline is the law currently in place as of Mar 11, 2021 including provisions in H.R.1319, The American Rescue Plan Act of 2021. Table shows the tax benefits of the child and dependent care tax credit under current law (as modified by H.R. 1319).

<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 2020 dollars): 20% \$17,600; 40% \$34,800; 60% \$59,800; 80% \$100,600; 90% \$145,700; 95% \$204,000; 99% \$463,200; 99.9% \$2,009,900.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(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) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

(7) 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 T21-0053**  
**Tax Benefit of the Child and Dependent Care Tax Credit**  
**Baseline: Current Law (After Passage of the American Rescue Plan Act)**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2021 <sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Benefit as a Percent of After- Tax Income <sup>5</sup>	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate <sup>7</sup>	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes <sup>6</sup>	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	0.1	99.9	0.0	4.1	*	0.0	-2.5	-2.5	-15.8	-15.8
Second Quintile	*	**	0.0	16.0	*	-0.1	-3.6	-3.6	-5.3	-5.3
Middle Quintile	0.1	99.9	0.0	26.5	*	0.8	0.6	0.6	0.4	0.4
Fourth Quintile	0.2	99.8	0.0	44.2	*	0.1	12.0	12.0	6.6	6.6
Top Quintile	0.1	99.9	0.0	9.3	*	0.0	93.7	93.7	19.9	19.9
All	0.1	99.9	0.0	100.0	*	0.0	100.0	100.0	11.5	11.5
<b>Addendum</b>										
80-90	0.1	99.9	0.0	4.3	*	0.0	15.3	15.3	12.5	12.5
90-95	0.1	99.9	0.0	2.1	*	0.0	13.5	13.5	16.0	16.0
95-99	0.2	99.8	0.0	2.8	*	0.0	21.4	21.4	19.5	19.5
Top 1 Percent	*	**	0.0	0.1	0	0.0	43.5	43.5	28.3	28.3
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	23.3	23.3	29.4	29.4

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2021 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	5,730	12.9	12,910	1.8	-2,040	-2.5	14,940	2.4	-15.8	
Second Quintile	10,360	23.4	30,380	7.8	-1,620	-3.6	31,990	9.3	-5.3	
Middle Quintile	10,540	23.8	55,870	14.6	240	0.6	55,630	16.5	0.4	
Fourth Quintile	8,700	19.6	96,250	20.8	6,380	12.0	89,870	21.9	6.6	
Top Quintile	7,170	16.2	302,980	53.9	60,270	93.7	242,710	48.8	19.9	
All	44,350	100.0	90,750	100.0	10,390	100.0	80,360	100.0	11.5	
<b>Addendum</b>										
80-90	3,690	8.3	153,020	14.0	19,100	15.3	133,920	13.9	12.5	
90-95	1,770	4.0	220,110	9.7	35,120	13.5	184,990	9.2	16.0	
95-99	1,350	3.0	376,490	12.6	73,230	21.4	303,260	11.5	19.5	
Top 1 Percent	360	0.8	1,989,170	17.6	562,440	43.5	1,426,730	14.3	28.3	
Top 0.1 Percent	50	0.1	7,943,040	9.1	2,334,700	23.3	5,608,340	7.2	29.4	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0920-2).

\* 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 year. Baseline is the law currently in place as of Mar 11, 2021 including provisions in H.R.1319, The American Rescue Plan Act of 2021. Table shows the tax benefits of the child and dependent care tax credit under current law (as modified by H.R. 1319).

<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 2020 dollars): 20% \$17,600; 40% \$34,800; 60% \$59,800; 80% \$100,600; 90% \$145,700; 95% \$204,000; 99% \$463,200; 99.9% \$2,009,900.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(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) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

(7) 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.