

Table T21-0225
Tax Benefit of the Child Tax Credit (CTC)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2022 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	12.4	87.6	1.2	7.1	190	35.4	0.6	0.8	3.2	4.3
Second Quintile	26.8	73.3	1.7	20.4	660	19.4	3.4	3.9	8.1	9.7
Middle Quintile	28.4	71.6	1.2	23.5	810	7.6	9.9	10.3	13.7	14.7
Fourth Quintile	36.0	64.0	0.9	25.4	1,060	4.5	18.1	18.4	17.2	18.0
Top Quintile	41.9	58.2	0.4	23.4	1,180	1.1	67.8	66.4	24.8	25.0
All	26.8	73.2	0.8	100.0	700	3.2	100.0	100.0	19.5	20.2
Addendum										
80-90	46.1	53.9	0.8	13.9	1,370	3.0	14.6	14.6	20.2	20.8
90-95	46.7	53.3	0.5	6.2	1,250	1.8	11.2	11.1	22.2	22.6
95-99	34.0	66.0	0.2	3.3	860	0.6	16.2	15.8	24.6	24.7
Top 1 Percent	0.1	99.9	0.0	0.0	*	0.0	25.7	24.9	30.4	30.4
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	13.2	12.8	30.8	30.8

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile, 2022 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	47,360	26.4	16,510	3.9	530	0.6	15,980	4.7	3.2	
Second Quintile	39,000	21.7	41,680	8.1	3,390	3.4	38,280	9.2	8.1	
Middle Quintile	36,630	20.4	77,760	14.1	10,620	9.9	67,140	15.1	13.7	
Fourth Quintile	30,160	16.8	137,620	20.5	23,710	18.1	113,900	21.1	17.2	
Top Quintile	24,880	13.9	433,620	53.4	107,380	67.8	326,250	49.9	24.8	
All	#####	100.0	112,520	100.0	21,970	100.0	90,550	100.0	19.5	
Addendum										
80-90	12,750	7.1	223,880	14.1	45,110	14.6	178,770	14.0	20.2	
90-95	6,230	3.5	319,970	9.9	71,020	11.2	248,950	9.5	22.2	
95-99	4,770	2.7	546,510	12.9	134,300	16.2	412,210	12.1	24.6	
Top 1 Percent	1,140	0.6	2,919,980	16.5	887,200	25.7	2,032,780	14.3	30.4	
Top 0.1 Percent	120	0.1	14,256,890	8.4	4,395,810	13.2	9,861,070	7.2	30.8	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0721-1).

Number of AMT Taxpayers (millions). Baseline: 0.3 Proposal: 0.2

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

(1) Calendar year. Baseline is the law currently in place as of September 8, 2021. Table shows the tax benefits of the CTC, including the credit for other dependents (ODTC). Under current law, taxpayers may claim a partially refundable CTC of up to \$2,000 (unindexed) per qualifying child. A qualifying child must be under age 17 and have a Social Security Number (SSN) valid for work. The credit is refundable up to the lesser of (1) \$1,400 per qualifying child (indexed for inflation after 2018), and (2) 15 percent of earnings in excess of \$2,500 (unindexed).

A taxpayer may claim a non-refundable \$500 (unindexed) other dependent tax credit (ODTC) for all children and other dependents for whom a CTC may not be claimed. The combined amount of the CTC and the ODTC are reduced, but not below zero, by \$50 for each \$1,000 (or fraction thereof) by which adjusted gross income (AGI) exceeds \$200,000 (\$400,000 for married couples filing a joint return). The phase-out thresholds are not indexed for inflation.

<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% \$27,200; 40% \$53,900; 60% \$96,700; 80% \$176,400; 90% \$257,500; 95% \$369,300; 99% \$884,900; 99.9% \$3,998,700.

(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 T21-0225
Tax Benefit of the Child Tax Credit (CTC)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2022 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	20.8	79.2	2.6	12.7	400	-950.5	0.0	0.4	-0.3	2.3
Second Quintile	29.9	70.1	2.4	24.8	840	32.1	2.5	3.2	7.1	9.3
Middle Quintile	29.5	70.6	1.4	24.7	850	10.1	7.8	8.3	12.3	13.5
Fourth Quintile	29.5	70.5	0.8	22.3	820	4.1	17.4	17.6	16.8	17.5
Top Quintile	25.4	74.6	0.2	15.2	610	0.7	72.1	70.3	24.5	24.7
All	26.8	73.2	0.8	100.0	700	3.2	100.0	100.0	19.5	20.2
Addendum										
80-90	30.2	69.9	0.5	9.9	780	2.0	15.7	15.5	20.1	20.5
90-95	28.4	71.7	0.3	3.9	630	1.0	12.1	11.8	21.9	22.2
95-99	15.0	85.0	0.1	1.4	290	0.3	17.6	17.1	24.2	24.3
Top 1 Percent	*	**	0.0	0.0	0	0.0	26.8	26.0	30.2	30.2
Top 0.1 Percent	0.0	#####	0.0	0.0	0	0.0	13.7	13.3	30.8	30.8

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2022 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	39,360	21.9	15,650	3.1	-40	0.0	15,690	3.8	-0.3	
Second Quintile	36,940	20.6	37,180	6.8	2,630	2.5	34,550	7.9	7.1	
Middle Quintile	36,320	20.2	69,230	12.5	8,490	7.8	60,740	13.6	12.3	
Fourth Quintile	34,050	19.0	120,110	20.3	20,180	17.4	99,930	20.9	16.8	
Top Quintile	31,350	17.5	370,050	57.4	90,670	72.1	279,380	53.9	24.5	
All	#####	#####	112,520	100.0	21,970	100.0	90,550	100.0	19.5	
Addendum										
80-90	16,030	8.9	191,760	15.2	38,510	15.7	153,250	15.1	20.1	
90-95	7,860	4.4	276,600	10.8	60,630	12.1	215,970	10.4	21.9	
95-99	6,060	3.4	471,260	14.1	114,240	17.6	357,020	13.3	24.2	
Top 1 Percent	1,400	0.8	2,497,510	17.3	754,350	26.8	1,743,160	15.0	30.2	
Top 0.1 Percent	140	0.1	#####	8.7	3,803,090	13.7	8,546,140	7.5	30.8	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0721-1).

Number of AMT Taxpayers (millions). Baseline: 0.3 Proposal: 0.2

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

(1) Calendar year. Baseline is the law currently in place as of September 8, 2021. Table shows the tax benefits of the CTC, including the credit for other dependents (ODTC). Under current law, taxpayers may claim a partially refundable CTC of up to \$2,000 (unindexed) per qualifying child. A qualifying child must be under age 17 and have a Social Security Number (SSN) valid for work. The credit is refundable up to the lesser of (1) \$1,400 per qualifying child (indexed for inflation after 2018), and (2) 15 percent of earnings in excess of \$2,500 (unindexed). A taxpayer may claim a non-refundable \$500 (unindexed) other dependent tax credit (ODTC) for all children and other dependents for whom a CTC may not be claimed. The combined amount of the CTC and the ODTC are reduced, but not below zero, by \$50 for each \$1,000 (or fraction thereof) by which adjusted gross income (AGI) exceeds \$200,000 (\$400,000 for married couples filing a joint return). The phase-out thresholds are not indexed for inflation.

<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% \$18,900; 40% \$37,100; 60% \$64,400; 80% \$108,400; 90% \$157,400; 95% \$221,300; 99% \$514,100; 99.9% \$2,261,800.

(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 T21-0225
Tax Benefit of the Child Tax Credit (CTC)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2022 ¹
Detail Table - Single Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	6.7	93.3	0.9	41.3	100	21.2	1.3	1.5	3.9	4.8
Second Quintile	4.9	95.1	0.4	31.2	100	3.8	5.5	5.6	9.0	9.4
Middle Quintile	3.1	96.9	0.1	16.5	60	0.8	13.4	13.4	13.4	13.5
Fourth Quintile	2.0	98.0	0.1	8.0	40	0.2	23.7	23.6	18.2	18.3
Top Quintile	1.2	98.8	0.0	2.9	20	0.0	55.9	55.5	25.0	25.1
All	4.1	95.9	0.2	100.0	70	0.7	100.0	100.0	18.3	18.4
Addendum										
80-90	1.5	98.5	0.0	1.9	20	0.1	15.9	15.8	21.5	21.5
90-95	1.5	98.5	0.0	0.9	30	0.1	10.1	10.0	22.8	22.8
95-99	0.1	99.9	0.0	0.1	*	0.0	13.2	13.1	25.1	25.1
Top 1 Percent	0.0	100.0	0.0	0.0	0	0.0	16.7	16.5	32.0	32.0
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	8.4	8.4	32.5	32.5

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2022 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	25,520	28.8	12,480	6.0	490	1.3	11,990	7.0	3.9	
Second Quintile	20,180	22.8	29,330	11.1	2,650	5.5	26,690	12.3	9.0	
Middle Quintile	18,400	20.7	53,100	18.3	7,120	13.4	45,980	19.3	13.4	
Fourth Quintile	14,430	16.3	88,250	23.8	16,100	23.7	72,160	23.8	18.2	
Top Quintile	9,390	10.6	232,530	40.8	58,230	55.9	174,300	37.4	25.0	
All	88,710	100.0	60,330	100.0	11,030	100.0	49,290	100.0	18.3	
Addendum										
80-90	5,300	6.0	136,730	13.5	29,370	15.9	107,360	13.0	21.5	
90-95	2,210	2.5	196,600	8.1	44,790	10.1	151,810	7.7	22.8	
95-99	1,570	1.8	327,590	9.6	82,240	13.2	245,350	8.8	25.1	
Top 1 Percent	310	0.4	1,642,730	9.5	525,130	16.7	1,117,600	7.9	32.0	
Top 0.1 Percent	30	0.0	8,182,310	4.7	2,658,290	8.4	5,524,030	3.9	32.5	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0721-1).

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

(1) Calendar year. Baseline is the law currently in place as of September 8, 2021. Table shows the tax benefits of the CTC, including the credit for other dependents (ODTC). Under current law, taxpayers may claim a partially refundable CTC of up to \$2,000 (unindexed) per qualifying child. A qualifying child must be under age 17 and have a Social Security Number (SSN) valid for work. The credit is refundable up to the lesser of (1) \$1,400 per qualifying child (indexed for inflation after 2018), and (2) 15 percent of earnings in excess of \$2,500 (unindexed). A taxpayer may claim a non-refundable \$500 (unindexed) other dependent tax credit (ODTC) for all children and other dependents for whom a CTC may not be claimed. The combined amount of the CTC and the ODTC are reduced, but not below zero, by \$50 for each \$1,000 (or fraction thereof) by which adjusted gross income (AGI) exceeds \$200,000 (\$400,000 for married couples filing a joint return). The phase-out thresholds are not indexed for inflation.

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(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% \$18,900; 40% \$37,100; 60% \$64,400; 80% \$108,400; 90% \$157,400; 95% \$221,300; 99% \$514,100; 99.9% \$2,261,800.

(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 T21-0225
Tax Benefit of the Child Tax Credit (CTC)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2022 ¹
Detail Table - Married Tax Units Filing Jointly

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	21.8	78.2	2.6	5.2	550	1,190.0	0.0	0.2	0.2	2.8
Second Quintile	34.7	65.3	2.7	14.5	1,230	43.8	0.9	1.3	5.8	8.4
Middle Quintile	42.9	57.1	1.9	24.4	1,510	15.0	4.5	5.0	11.1	12.8
Fourth Quintile	45.5	54.6	1.1	31.3	1,410	6.0	14.3	14.8	15.8	16.8
Top Quintile	35.3	64.7	0.3	24.3	880	0.8	80.1	78.6	24.3	24.5
All	37.6	62.5	0.7	100.0	1,130	2.7	100.0	100.0	20.8	21.3
Addendum										
80-90	43.2	56.9	0.7	15.5	1,160	2.7	16.0	15.9	19.5	20.0
90-95	39.2	60.8	0.4	6.4	890	1.3	13.3	13.2	21.7	21.9
95-99	21.0	79.0	0.1	2.4	410	0.3	20.2	19.7	24.0	24.1
Top 1 Percent	*	**	0.0	0.0	0	0.0	30.6	29.7	29.9	29.9
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	15.0	14.6	30.6	30.6

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2022 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	6,990	10.9	21,030	1.2	50	0.0	20,990	1.4	0.2	
Second Quintile	8,580	13.3	48,290	3.2	2,800	0.9	45,490	3.8	5.8	
Middle Quintile	11,840	18.4	90,450	8.4	10,060	4.5	80,390	9.4	11.1	
Fourth Quintile	16,170	25.1	148,850	18.8	23,550	14.3	125,300	20.0	15.8	
Top Quintile	20,230	31.4	434,060	68.5	105,370	80.1	328,690	65.5	24.3	
All	64,340	100.0	199,170	100.0	41,370	100.0	157,800	100.0	20.8	
Addendum										
80-90	9,740	15.1	223,480	17.0	43,610	16.0	179,880	17.3	19.5	
90-95	5,230	8.1	313,620	12.8	67,910	13.3	245,710	12.7	21.7	
95-99	4,240	6.6	529,080	17.5	126,940	20.2	402,140	16.8	24.0	
Top 1 Percent	1,020	1.6	2,668,490	21.2	797,880	30.6	1,870,620	18.8	29.9	
Top 0.1 Percent	100	0.2	13,018,910	10.2	3,978,580	15.0	9,040,340	8.9	30.6	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0721-1).

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Table T21-0225
Tax Benefit of the Child Tax Credit (CTC)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2022 ¹
Detail Table - Head of Household Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	75.6	24.4	5.8	21.0	1,440	-62.0	-7.7	-2.4	-10.4	-3.9
Second Quintile	92.9	7.1	5.6	40.6	2,440	111.6	8.3	14.3	4.8	10.1
Middle Quintile	94.3	5.7	3.2	26.1	2,260	23.8	25.1	25.3	11.9	14.7
Fourth Quintile	88.9	11.1	1.6	9.8	1,700	7.5	29.8	26.1	17.8	19.2
Top Quintile	64.7	35.3	0.4	2.4	1,070	1.3	44.4	36.6	25.0	25.3
All	86.5	13.5	3.2	100.0	1,970	22.8	100.0	100.0	12.4	15.2
Addendum										
80-90	81.6	18.4	0.9	2.0	1,430	3.5	13.0	11.0	21.0	21.7
90-95	53.4	46.6	0.4	0.4	690	1.2	7.0	5.8	21.9	22.2
95-99	12.4	87.6	0.1	0.0	160	0.1	6.8	5.5	25.8	25.8
Top 1 Percent	0.0	100.0	0.0	0.0	0	0.0	17.6	14.3	30.8	30.8
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	12.3	10.0	30.9	30.9

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2022 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	6,490	28.6	22,430	9.3	-2,320	-7.7	24,750	11.7	-10.4	
Second Quintile	7,390	32.6	46,050	21.7	2,190	8.3	43,860	23.6	4.8	
Middle Quintile	5,150	22.7	80,100	26.2	9,520	25.1	70,580	26.4	11.9	
Fourth Quintile	2,570	11.3	127,060	20.8	22,660	29.8	104,400	19.5	17.8	
Top Quintile	1,010	4.5	341,930	22.1	85,460	44.4	256,470	18.9	25.0	
All	22,650	100.0	69,380	100.0	8,610	100.0	60,770	100.0	12.4	
Addendum										
80-90	630	2.8	193,560	7.7	40,580	13.0	152,980	7.0	21.0	
90-95	240	1.1	256,700	4.0	56,240	7.0	200,470	3.6	21.9	
95-99	110	0.5	453,000	3.3	116,740	6.8	336,260	2.8	25.8	
Top 1 Percent	30	0.1	3,722,180	7.1	1,144,680	17.6	2,577,500	5.6	30.8	
Top 0.1 Percent	*	0.0	25,538,490	4.9	7,879,740	12.3	17,658,740	3.9	30.9	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0721-1).

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

(1) Calendar year. Baseline is the law currently in place as of September 8, 2021. Table shows the tax benefits of the CTC, including the credit for other dependents (ODTC). Under current law, taxpayers may claim a partially refundable CTC of up to \$2,000 (unindexed) per qualifying child. A qualifying child must be under age 17 and have a Social Security Number (SSN) valid for work. The credit is refundable up to the lesser of (1) \$1,400 per qualifying child (indexed for inflation after 2018), and (2) 15 percent of earnings in excess of \$2,500 (unindexed). A taxpayer may claim a non-refundable \$500 (unindexed) other dependent tax credit (ODTC) for all children and other dependents for whom a CTC may not be claimed. The combined amount of the CTC and the ODTC are reduced, but not below zero, by \$50 for each \$1,000 (or fraction thereof) by which adjusted gross income (AGI) exceeds \$200,000 (\$400,000 for married couples filing a joint return). The phase-out thresholds are not indexed for inflation.

<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% \$18,900; 40% \$37,100; 60% \$64,400; 80% \$108,400; 90% \$157,400; 95% \$221,300; 99% \$514,100; 99.9% \$2,261,800.

(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 T21-0225
Tax Benefit of the Child Tax Credit (CTC)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2022 ¹
Detail Table - Tax Units with Children

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	77.0	23.0	6.0	12.7	1,510	-69.8	-1.4	-0.4	-9.3	-2.8
Second Quintile	93.8	6.2	5.8	24.9	2,720	99.3	1.9	3.6	5.5	11.0
Middle Quintile	98.1	1.9	3.6	24.7	2,970	24.7	7.7	8.9	12.8	15.9
Fourth Quintile	99.5	0.5	2.1	22.2	2,880	9.7	17.6	17.9	18.0	19.7
Top Quintile	83.5	16.5	0.5	15.2	2,040	1.6	74.1	69.9	25.6	26.0
All	90.3	9.7	1.9	100.0	2,420	7.7	100.0	100.0	20.1	21.7
Addendum										
80-90	99.5	0.5	1.3	9.9	2,620	4.8	15.7	15.3	21.2	22.3
90-95	95.9	4.1	0.8	3.9	2,160	2.6	11.7	11.2	23.0	23.6
95-99	48.6	51.4	0.2	1.4	950	0.6	18.1	16.9	25.7	25.8
Top 1 Percent	0.1	99.9	0.0	0.0	*	0.0	28.5	26.4	30.5	30.5
Top 0.1 Percent	0.0	#####	0.0	0.0	0	0.0	13.6	12.6	30.6	30.6

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2022 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	10,520	20.5	23,120	3.0	-2,160	-1.4	25,280	4.1	-9.3	
Second Quintile	11,380	22.1	49,790	7.0	2,740	1.9	47,050	8.3	5.5	
Middle Quintile	10,350	20.1	94,170	12.1	12,000	7.7	82,160	13.2	12.8	
Fourth Quintile	9,620	18.7	164,920	19.7	29,620	17.6	135,300	20.3	18.0	
Top Quintile	9,290	18.1	504,130	58.2	129,160	74.1	374,970	54.2	25.6	
All	51,400	#####	156,600	100.0	31,540	100.0	125,060	100.0	20.1	
Addendum										
80-90	4,710	9.2	254,670	14.9	54,070	15.7	200,600	14.7	21.2	
90-95	2,270	4.4	364,950	10.3	83,800	11.7	281,140	9.9	23.0	
95-99	1,830	3.6	624,120	14.2	160,200	18.1	463,920	13.2	25.7	
Top 1 Percent	480	0.9	3,159,640	18.8	964,390	28.5	2,195,250	16.3	30.5	
Top 0.1 Percent	50	0.1	#####	9.0	4,879,820	13.6	#####	7.8	30.6	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0721-1).

* 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 year. Baseline is the law currently in place as of September 8, 2021. Table shows the tax benefits of the CTC, including the credit for other dependents (ODTC). Under current law, taxpayers may claim a partially refundable CTC of up to \$2,000 (unindexed) per qualifying child. A qualifying child must be under age 17 and have a Social Security Number (SSN) valid for work. The credit is refundable up to the lesser of (1) \$1,400 per qualifying child (indexed for inflation after 2018), and (2) 15 percent of earnings in excess of \$2,500 (unindexed).

A taxpayer may claim a non-refundable \$500 (unindexed) other dependent tax credit (ODTC) for all children and other dependents for whom a CTC may not be claimed. The combined amount of the CTC and the ODTC are reduced, but not below zero, by \$50 for each \$1,000 (or fraction thereof) by which adjusted gross income (AGI) exceeds \$200,000 (\$400,000 for married couples filing a joint return). The phase-out thresholds are not indexed for inflation.

<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% \$18,900; 40% \$37,100; 60% \$64,400; 80% \$108,400; 90% \$157,400; 95% \$221,300; 99% \$514,100; 99.9% \$2,261,800.

(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 T21-0225
Tax Benefit of the Child Tax Credit (CTC)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2022 ¹
Detail Table - Elderly Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	1.2	98.8	0.1	6.7	20	12.2	0.2	0.2	0.9	1.0
Second Quintile	3.2	96.8	0.2	22.7	50	5.5	1.5	1.5	2.8	3.0
Middle Quintile	4.2	95.8	0.1	32.2	80	2.0	5.7	5.8	6.3	6.4
Fourth Quintile	4.1	95.9	0.1	23.7	70	0.6	14.0	14.0	11.1	11.2
Top Quintile	3.0	97.0	0.0	14.1	50	0.1	78.1	77.9	22.5	22.5
All	3.1	96.9	0.1	100.0	50	0.4	100.0	100.0	15.7	15.8
Addendum										
80-90	3.3	96.7	0.0	8.8	60	0.2	13.1	13.0	15.3	15.3
90-95	3.2	96.8	0.0	3.3	50	0.1	9.9	9.9	18.0	18.0
95-99	2.6	97.4	0.0	2.0	40	0.0	17.2	17.1	21.5	21.5
Top 1 Percent	0.0	#####	0.0	0.0	0	0.0	38.0	37.9	29.9	29.9
Top 0.1 Percent	0.0	#####	0.0	0.0	0	0.0	22.6	22.5	30.7	30.7

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2022 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	10,000	21.1	15,210	3.3	140	0.2	15,070	3.8	0.9	
Second Quintile	11,170	23.5	33,810	8.1	960	1.5	32,850	9.3	2.8	
Middle Quintile	10,410	21.9	63,670	14.2	4,010	5.7	59,670	15.8	6.3	
Fourth Quintile	8,380	17.7	109,900	19.8	12,190	14.0	97,710	20.9	11.1	
Top Quintile	6,910	14.5	368,030	54.6	82,750	78.1	285,280	50.2	22.5	
All	47,490	#####	98,080	100.0	15,410	100.0	82,670	100.0	15.7	
Addendum										
80-90	3,580	7.5	174,360	13.4	26,660	13.1	147,690	13.5	15.3	
90-95	1,610	3.4	250,100	8.7	44,990	9.9	205,110	8.4	18.0	
95-99	1,360	2.9	430,460	12.5	92,520	17.2	337,940	11.7	21.5	
Top 1 Percent	360	0.8	2,606,940	20.0	779,010	38.0	1,827,930	16.6	29.9	
Top 0.1 Percent	50	0.1	#####	11.6	3,559,470	22.6	8,036,590	9.5	30.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0721-1).

* 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 year. Baseline is the law currently in place as of September 8, 2021. Table shows the tax benefits of the CTC, including the credit for other dependents (ODTC). Under current law, taxpayers may claim a partially refundable CTC of up to \$2,000 (unindexed) per qualifying child. A qualifying child must be under age 17 and have a Social Security Number (SSN) valid for work. The credit is refundable up to the lesser of (1) \$1,400 per qualifying child (indexed for inflation after 2018), and (2) 15 percent of earnings in excess of \$2,500 (unindexed). A taxpayer may claim a non-refundable \$500 (unindexed) other dependent tax credit (ODTC) for all children and other dependents for whom a CTC may not be claimed. The combined amount of the CTC and the ODTC are reduced, but not below zero, by \$50 for each \$1,000 (or fraction thereof) by which adjusted gross income (AGI) exceeds \$200,000 (\$400,000 for married couples filing a joint return). The phase-out thresholds are not indexed for inflation.

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(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.