

Table T21-0227
Tax Benefit of the Child Tax Credit (CTC)
Baseline: Current Law Plus Extend the American Rescue Plan (ARP) Act's Increase in the CTC Credit Amount and Modification of Age Requirements
but Retain Current-Law Partial Refundability Rules
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	12.9	87.2	1.2	5.6	200	38.5	0.6	0.8	3.1	4.3
Second Quintile	27.0	73.0	2.0	17.6	760	23.2	3.3	3.9	7.9	9.7
Middle Quintile	28.4	71.6	1.7	24.4	1,130	11.0	9.7	10.3	13.3	14.7
Fourth Quintile	36.0	64.0	1.5	29.9	1,680	7.3	17.9	18.4	16.8	18.0
Top Quintile	41.9	58.1	0.5	22.3	1,520	1.4	68.3	66.4	24.7	25.0
All	27.0	73.0	1.0	100.0	940	4.3	100.0	100.0	19.3	20.2
Addendum										
80-90	46.2	53.9	1.1	14.5	1,930	4.3	14.6	14.6	19.9	20.8
90-95	46.8	53.2	0.6	5.2	1,420	2.0	11.3	11.1	22.1	22.6
95-99	34.3	65.7	0.2	2.6	920	0.7	16.4	15.8	24.6	24.7
Top 1 Percent	0.2	99.9	0.0	0.0	*	0.0	26.0	24.9	30.4	30.4
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	13.3	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	520	0.6	15,990	4.7	3.1
Second Quintile	39,000	21.7	41,680	8.1	3,290	3.3	38,390	9.2	7.9
Middle Quintile	36,630	20.4	77,760	14.1	10,300	9.7	67,460	15.2	13.3
Fourth Quintile	30,160	16.8	137,620	20.5	23,090	17.9	114,520	21.2	16.8
Top Quintile	24,880	13.9	433,620	53.4	107,040	68.3	326,590	49.9	24.7
All	#####	100.0	112,520	100.0	21,730	100.0	90,800	100.0	19.3
Addendum									
80-90	12,750	7.1	223,880	14.1	44,550	14.6	179,330	14.0	19.9
90-95	6,230	3.5	319,970	9.9	70,850	11.3	249,120	9.5	22.1
95-99	4,770	2.7	546,510	12.9	134,240	16.4	412,270	12.1	24.6
Top 1 Percent	1,140	0.6	2,919,980	16.5	887,200	26.0	2,032,780	14.3	30.4
Top 0.1 Percent	120	0.1	14,256,890	8.4	4,395,810	13.3	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 with the following modifications to the CTC: the maximum credit amount would be increased to \$3,000 and to \$3,600 for qualifying children under the age of 6. The credit amounts would not be indexed for inflation. The definition of a qualifying child would be extended to include 17 year olds. The credit increase amount of \$1,000/\$1,600 per child would be phased down by \$50 for each \$1,000 (or fraction thereof) by which AGI exceeds \$150,000 for married couples filing a joint return, \$112,500 for heads of household, and \$75,000 for others. The thresholds would not be indexed for inflation. Current law refundability rules would continue to apply. For a description of the current law CTC, see Table T21-0223.

<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 T21-0227
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Baseline: Current Law Plus Extend the American Rescue Plan (ARP) Act's Increase in the CTC Credit Amount and Modification of Age Requirements
but Retain Current-Law Partial Refundability Rules
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	21.4	78.6	2.7	9.9	430	-658.4	-0.1	0.4	-0.4	2.3
Second Quintile	30.1	69.9	3.0	22.7	1,040	42.8	2.3	3.2	6.5	9.3
Middle Quintile	29.5	70.5	2.1	28.1	1,310	16.3	7.5	8.3	11.6	13.5
Fourth Quintile	29.6	70.5	1.3	25.8	1,280	6.5	17.2	17.6	16.4	17.5
Top Quintile	25.5	74.5	0.3	13.3	720	0.8	72.8	70.3	24.5	24.7
All	27.0	73.0	1.0	100.0	940	4.3	100.0	100.0	19.3	20.2
Addendum										
80-90	30.2	69.8	0.6	9.1	960	2.5	15.8	15.5	20.0	20.5
90-95	28.4	71.6	0.3	3.2	680	1.1	12.2	11.8	21.9	22.2
95-99	15.2	84.8	0.1	1.1	310	0.3	17.8	17.1	24.2	24.3
Top 1 Percent	*	**	0.0	0.0	0	0.0	27.1	26.0	30.2	30.2
Top 0.1 Percent	0.0	#####	0.0	0.0	0	0.0	13.9	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	-70	-0.1	15,710	3.8	-0.4
Second Quintile	36,940	20.6	37,180	6.8	2,430	2.3	34,750	7.9	6.5
Middle Quintile	36,320	20.2	69,230	12.5	8,030	7.5	61,200	13.6	11.6
Fourth Quintile	34,050	19.0	120,110	20.3	19,720	17.2	100,390	21.0	16.4
Top Quintile	31,350	17.5	370,050	57.4	90,560	72.8	279,490	53.8	24.5
All	#####	#####	112,520	100.0	21,730	100.0	90,800	100.0	19.3
Addendum									
80-90	16,030	8.9	191,760	15.2	38,330	15.8	153,430	15.1	20.0
90-95	7,860	4.4	276,600	10.8	60,580	12.2	216,020	10.4	21.9
95-99	6,060	3.4	471,260	14.1	114,220	17.8	357,040	13.3	24.2
Top 1 Percent	1,400	0.8	2,497,510	17.3	754,350	27.1	1,743,160	15.0	30.2
Top 0.1 Percent	140	0.1	#####	8.7	3,803,090	13.9	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 with the following modifications to the CTC: the maximum credit amount would be increased to \$3,000 and to \$3,600 for qualifying children under the age of 6. The credit amounts would not be indexed for inflation. The definition of a qualifying child would be extended to include 17 year olds. The credit increase amount of \$1,000/\$1,600 per child would be phased down by \$50 for each \$1,000 (or fraction thereof) by which AGI exceeds \$150,000 for married couples filing a joint return, \$112,500 for heads of household, and \$75,000 for others. The thresholds would not be indexed for inflation. Current law refundability rules would continue to apply. For a description of the current law CTC, see Table T21-0223.
<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 T21-0227
Tax Benefit of the Child Tax Credit (CTC)
Baseline: Current Law Plus Extend the American Rescue Plan (ARP) Act's Increase in the CTC Credit Amount and Modification of Age Requirements
but Retain Current-Law Partial Refundability Rules
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	6.8	93.2	0.9	35.6	110	23.2	1.3	1.5	3.9	4.8
Second Quintile	5.0	95.0	0.5	32.9	130	5.0	5.4	5.6	8.9	9.4
Middle Quintile	3.1	96.9	0.2	20.8	90	1.3	13.4	13.4	13.4	13.5
Fourth Quintile	2.0	98.0	0.1	8.2	50	0.3	23.8	23.6	18.2	18.3
Top Quintile	1.2	98.8	0.0	2.4	20	0.0	56.0	55.5	25.0	25.1
All	4.2	95.8	0.2	100.0	90	0.8	100.0	100.0	18.3	18.4
Addendum										
80-90	1.5	98.5	0.0	1.6	30	0.1	15.9	15.8	21.5	21.5
90-95	1.5	98.5	0.0	0.8	30	0.1	10.1	10.0	22.8	22.8
95-99	0.1	99.9	0.0	0.0	*	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	480	1.3	11,990	7.0	3.9
Second Quintile	20,180	22.8	29,330	11.1	2,620	5.4	26,720	12.3	8.9
Middle Quintile	18,400	20.7	53,100	18.3	7,090	13.4	46,010	19.4	13.4
Fourth Quintile	14,430	16.3	88,250	23.8	16,090	23.8	72,170	23.8	18.2
Top Quintile	9,390	10.6	232,530	40.8	58,230	56.0	174,300	37.4	25.0
All	88,710	100.0	60,330	100.0	11,010	100.0	49,310	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 with the following modifications to the CTC: the maximum credit amount would be increased to \$3,000 and to \$3,600 for qualifying children under the age of 6. The credit amounts would not be indexed for inflation. The definition of a qualifying child would be extended to include 17 year olds. The credit increase amount of \$1,000/\$1,600 per child would be phased down by \$50 for each \$1,000 (or fraction thereof) by which AGI exceeds \$150,000 for married couples filing a joint return, \$112,500 for heads of household, and \$75,000 for others. The thresholds would not be indexed for inflation. Current law refundability rules would continue to apply. For a description of the current law CTC, see Table T21-0223.
<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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(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.

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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 T21-0227
Tax Benefit of the Child Tax Credit (CTC)
Baseline: Current Law Plus Extend the American Rescue Plan (ARP) Act's Increase in the CTC Credit Amount and Modification of Age Requirements
but Retain Current-Law Partial Refundability Rules
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	22.4	77.7	2.7	3.9	570	2,311.8	0.0	0.2	0.1	2.8
Second Quintile	34.9	65.1	3.4	12.9	1,530	61.3	0.8	1.3	5.2	8.4
Middle Quintile	42.9	57.1	2.9	27.3	2,350	25.5	4.2	5.0	10.2	12.8
Fourth Quintile	45.5	54.6	1.8	35.2	2,220	9.8	14.0	14.8	15.3	16.8
Top Quintile	35.4	64.6	0.3	20.5	1,040	1.0	80.8	78.6	24.2	24.5
All	37.7	62.3	1.0	100.0	1,590	3.9	100.0	100.0	20.5	21.3
Addendum										
80-90	43.2	56.8	0.8	13.8	1,440	3.3	16.0	15.9	19.4	20.0
90-95	39.2	60.8	0.4	5.0	970	1.4	13.5	13.2	21.6	21.9
95-99	21.3	78.7	0.1	1.8	430	0.3	20.4	19.7	24.0	24.1
Top 1 Percent	*	**	0.0	0.0	0	0.0	30.9	29.7	29.9	29.9
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	15.1	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	30	0.0	21,010	1.4	0.1
Second Quintile	8,580	13.3	48,290	3.2	2,500	0.8	45,790	3.9	5.2
Middle Quintile	11,840	18.4	90,450	8.4	9,220	4.2	81,230	9.5	10.2
Fourth Quintile	16,170	25.1	148,850	18.8	22,740	14.0	126,110	20.0	15.3
Top Quintile	20,230	31.4	434,060	68.5	105,210	80.8	328,850	65.3	24.2
All	64,340	100.0	199,170	100.0	40,920	100.0	158,250	100.0	20.5
Addendum									
80-90	9,740	15.1	223,480	17.0	43,330	16.0	180,150	17.2	19.4
90-95	5,230	8.1	313,620	12.8	67,840	13.5	245,780	12.6	21.6
95-99	4,240	6.6	529,080	17.5	126,920	20.4	402,160	16.7	24.0
Top 1 Percent	1,020	1.6	2,668,490	21.2	797,880	30.9	1,870,620	18.7	29.9
Top 0.1 Percent	100	0.2	13,018,910	10.2	3,978,580	15.1	9,040,340	8.9	30.6

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

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(1) Calendar year. Baseline is the law currently in place as of September 8, 2021 with the following modifications to the CTC: the maximum credit amount would be increased to \$3,000 and to \$3,600 for qualifying children under the age of 6. The credit amounts would not be indexed for inflation. The definition of a qualifying child would be extended to include 17 year olds. The credit increase amount of \$1,000/\$1,600 per child would be phased down by \$50 for each \$1,000 (or fraction thereof) by which AGI exceeds \$150,000 for married couples filing a joint return, \$112,500 for heads of household, and \$75,000 for others. The thresholds would not be indexed for inflation. Current law refundability rules would continue to apply. For a description of the current law CTC, see Table T21-0223.
<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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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	78.4	21.6	6.1	17.3	1,520	-63.2	-8.5	-2.4	-10.7	-3.9
Second Quintile	93.4	6.6	6.7	38.4	2,960	176.7	6.8	14.3	3.6	10.1
Middle Quintile	94.4	5.6	4.7	30.2	3,350	39.7	23.8	25.3	10.5	14.7
Fourth Quintile	88.9	11.1	2.5	11.8	2,620	12.0	30.6	26.1	17.1	19.2
Top Quintile	64.9	35.2	0.5	2.3	1,260	1.5	47.4	36.6	24.9	25.3
All	87.5	12.5	4.1	100.0	2,520	31.2	100.0	100.0	11.6	15.2
Addendum										
80-90	81.6	18.4	1.1	1.9	1,720	4.3	13.8	11.0	20.8	21.7
90-95	53.6	46.4	0.4	0.3	750	1.3	7.5	5.8	21.9	22.2
95-99	13.2	86.8	0.1	0.0	170	0.1	7.2	5.5	25.8	25.8
Top 1 Percent	0.0	100.0	0.0	0.0	0	0.0	18.8	14.3	30.8	30.8
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	13.1	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	-2,400	-8.5	24,830	11.6	-10.7
Second Quintile	7,390	32.6	46,050	21.7	1,670	6.8	44,370	23.6	3.6
Middle Quintile	5,150	22.7	80,100	26.2	8,430	23.8	71,660	26.6	10.5
Fourth Quintile	2,570	11.3	127,060	20.8	21,740	30.6	105,320	19.5	17.1
Top Quintile	1,010	4.5	341,930	22.1	85,270	47.4	256,670	18.7	24.9
All	22,650	100.0	69,380	100.0	8,060	100.0	61,320	100.0	11.6
Addendum									
80-90	630	2.8	193,560	7.7	40,290	13.8	153,260	6.9	20.8
90-95	240	1.1	256,700	4.0	56,180	7.5	200,520	3.5	21.9
95-99	110	0.5	453,000	3.3	116,730	7.2	336,280	2.7	25.8
Top 1 Percent	30	0.1	3,722,180	7.1	1,144,680	18.8	2,577,500	5.6	30.8
Top 0.1 Percent	*	0.0	25,538,490	4.9	7,879,740	13.1	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 with the following modifications to the CTC: the maximum credit amount would be increased to \$3,000 and to \$3,600 for qualifying children under the age of 6. The credit amounts would not be indexed for inflation. The definition of a qualifying child would be extended to include 17 year olds. The credit increase amount of \$1,000/\$1,600 per child would be phased down by \$50 for each \$1,000 (or fraction thereof) by which AGI exceeds \$150,000 for married couples filing a joint return, \$112,500 for heads of household, and \$75,000 for others. The thresholds would not be indexed for inflation. Current law refundability rules would continue to apply. For a description of the current law CTC, see Table T21-0223.
<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 T21-0227
Tax Benefit of the Child Tax Credit (CTC)
Baseline: Current Law Plus Extend the American Rescue Plan (ARP) Act's Increase in the CTC Credit Amount and Modification of Age Requirements
but Retain Current-Law Partial Refundability Rules
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	79.2	20.8	6.3	10.0	1,590	-71.0	-1.5	-0.4	-9.7	-2.8
Second Quintile	94.4	5.6	7.1	22.7	3,360	160.2	1.5	3.6	4.2	11.0
Middle Quintile	98.2	1.8	5.4	28.1	4,560	43.8	6.8	8.9	11.1	15.9
Fourth Quintile	99.5	0.5	3.3	25.8	4,510	16.1	17.1	17.9	17.0	19.7
Top Quintile	83.7	16.3	0.6	13.3	2,410	1.9	75.9	69.9	25.6	26.0
All	91.0	9.1	2.6	100.0	3,270	10.7	100.0	100.0	19.6	21.7
Addendum										
80-90	99.5	0.5	1.6	9.1	3,230	6.1	16.0	15.3	21.0	22.3
90-95	96.2	3.8	0.8	3.2	2,330	2.8	12.0	11.2	22.9	23.6
95-99	49.3	50.7	0.2	1.1	1,010	0.6	18.6	16.9	25.7	25.8
Top 1 Percent	0.1	99.9	0.0	0.0	*	0.0	29.3	26.4	30.5	30.5
Top 0.1 Percent	0.0	#####	0.0	0.0	0	0.0	14.0	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	-2,240	-1.5	25,360	4.1	-9.7
Second Quintile	11,380	22.1	49,790	7.0	2,100	1.5	47,690	8.4	4.2
Middle Quintile	10,350	20.1	94,170	12.1	10,410	6.8	83,750	13.4	11.1
Fourth Quintile	9,620	18.7	164,920	19.7	27,990	17.1	136,930	20.4	17.0
Top Quintile	9,290	18.1	504,130	58.2	128,790	75.9	375,330	53.9	25.6
All	51,400	#####	156,600	100.0	30,690	100.0	125,910	100.0	19.6
Addendum									
80-90	4,710	9.2	254,670	14.9	53,460	16.0	201,210	14.6	21.0
90-95	2,270	4.4	364,950	10.3	83,630	12.0	281,320	9.9	22.9
95-99	1,830	3.6	624,120	14.2	160,140	18.6	463,980	13.2	25.7
Top 1 Percent	480	0.9	3,159,640	18.8	964,390	29.3	2,195,260	16.2	30.5
Top 0.1 Percent	50	0.1	#####	9.0	4,879,820	14.0	#####	7.7	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 with the following modifications to the CTC: the maximum credit amount would be increased to \$3,000 and to \$3,600 for qualifying children under the age of 6. The credit amounts would not be indexed for inflation. The definition of a qualifying child would be extended to include 17 year olds. The credit increase amount of \$1,000/\$1,600 per child would be phased down by \$50 for each \$1,000 (or fraction thereof) by which AGI exceeds \$150,000 for married couples filing a joint return, \$112,500 for heads of household, and \$75,000 for others. The thresholds would not be indexed for inflation. Current law refundability rules would continue to apply. For a description of the current law CTC, see Table T21-0223.

<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 T21-0227
Tax Benefit of the Child Tax Credit (CTC)
Baseline: Current Law Plus Extend the American Rescue Plan (ARP) Act's Increase in the CTC Credit Amount and Modification of Age Requirements
but Retain Current-Law Partial Refundability Rules
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	1.3	98.7	0.1	5.2	20	13.0	0.2	0.2	0.9	1.0
Second Quintile	3.2	96.8	0.2	19.3	60	6.3	1.5	1.5	2.8	3.0
Middle Quintile	4.2	95.8	0.2	35.3	120	2.9	5.7	5.8	6.2	6.4
Fourth Quintile	4.1	95.9	0.1	27.4	110	0.9	13.9	14.0	11.1	11.2
Top Quintile	3.0	97.0	0.0	12.3	60	0.1	78.2	77.9	22.5	22.5
All	3.1	96.9	0.1	100.0	70	0.5	100.0	100.0	15.7	15.8
Addendum										
80-90	3.3	96.7	0.1	7.8	80	0.3	13.1	13.0	15.3	15.3
90-95	3.5	96.5	0.0	2.9	60	0.1	9.9	9.9	18.0	18.0
95-99	2.6	97.4	0.0	1.6	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	950	1.5	32,860	9.3	2.8
Middle Quintile	10,410	21.9	63,670	14.2	3,970	5.7	59,710	15.8	6.2
Fourth Quintile	8,380	17.7	109,900	19.8	12,150	13.9	97,750	20.9	11.1
Top Quintile	6,910	14.5	368,030	54.6	82,740	78.2	285,290	50.2	22.5
All	47,490	#####	98,080	100.0	15,390	100.0	82,690	100.0	15.7
Addendum									
80-90	3,580	7.5	174,360	13.4	26,650	13.1	147,710	13.5	15.3
90-95	1,610	3.4	250,100	8.7	44,980	9.9	205,120	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 with the following modifications to the CTC: the maximum credit amount would be increased to \$3,000 and to \$3,600 for qualifying children under the age of 6. The credit amounts would not be indexed for inflation. The definition of a qualifying child would be extended to include 17 year olds. The credit increase amount of \$1,000/\$1,600 per child would be phased down by \$50 for each \$1,000 (or fraction thereof) by which AGI exceeds \$150,000 for married couples filing a joint return, \$112,500 for heads of household, and \$75,000 for others. The thresholds would not be indexed for inflation. Current law refundability rules would continue to apply. For a description of the current law CTC, see Table T21-0223.

<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.