Table T22-0184

Major Provisions in the Family Security Act 2.0 Framework, Impact of Tax Revenue (billions of current dollars) 2022-25[1]

Baseline: Current Law

	Calendar Year			
	2022	**2023**	**2024**	**2025**
A. Eliminate Head of Household Filing Status	20.0	21.6	22.6	23.6
B. Replace the Child Tax Credit with a Child Allowance	-107.9	-106.4	-105.7	-105.0
C. Streamline the EITC	16.7	18.1	18.7	18.9
D. Repeal the Child and Dependent Care Tax Credit	4.6	4.6	4.7	4.7
E. Repeal the State and Local Tax Deduction	25.0	25.1	25.8	27.6
All major provisions	-41.6	-36.9	-33.9	-30.2

Source: Urban-Brookings Microsimulation Model (version 0922-2).

(1) Calendar years. Baseline is the law currently in place for each year as of September 2. 2022. Each row shows the marginal revenue effect of each additional provision added in the order shown. Provisions would:

(A) eliminate head of household filing status. We assume all current law head of household filers would switch to filing as single.

(B) Replace the Child Tax Credit with a Child Benefit of up to $4,200 per child under age 6 and up to $3,000 per child ages 6 through 17, for a maximum of 6 children. We assume families count all children under 6 before counting older children. We assume the benefit, which would be administered by the Social Security Administration, functions as a refundable tax credit. The allowance is fully phased in at $10,000 of earnings (annually indexed to inflation) and phases out at a rate of 5% above $200,000 AGI for single filers and $400,000 for joint filers. The credit for other dependents is retained and calculated separately from the Child Allowance. Dependents without an SSN or above age 17 can qualify for the ODTC, but we assume that child allowance-qualifying children in excess of the 6-child maximum do not. We do not model a provision that requires at least one parent (in the case of a married couple) to have an SSN, up to four monthly payments of $700 to pregnant parents, the option to receive credits monthly, and the use of prior year income for calculating monthly payments. We calculate the credit based on current year income. We assume that 70 percent of eligible non-filers would file to claim the expanded credit in 2022.

(C) Replace the Earned Income Tax Credit with a credit that varies by filing status and whether the household has dependent children. The credit would remain refundable. The maximum credit amounts for single filers with no children, single filers with children, joint filers with no children, and joint filers with children are respectively, $1,000/$2,000/$2,000/$3,000, fully phased in at $8,000/$16,000/$12,000/$18,000, phasing out between $10,000/$20,000/$23,000/$33,000 and $17,000/$34,000/$37,000/$54,000. Current law EITC parameters are retained for eligible adult dependents. The requirement that recipients must have an SSN is not modeled.

(D) Repeal the child care portion of the Child and Dependent Care Credit. The TPC model does not model care expenses for adult dependents, and so the CDCTC is effectively repealed.

(E) Repeal the deduction for state and local taxes.