

Table T22-0187
Options to Expand Refundability of the Child Tax Credit (CTC)
Baseline: Current Law¹
Impact on Tax Revenue (billions of current dollars), 2023-32 Fiscal Years

Proposal	Fiscal Years										
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2023-32
Option 1: Repeal earned income threshold²	-1.7	-1.4	-1.3	-1.1	-0.6	-0.6	-0.6	-0.5	-0.5	-0.5	-8.8
Option 2: Repeal refundability limit enacted by the 2017 Tax Act³	-2.8	-1.8	-1.9	-1.5	0.0	0.0	0.0	0.0	0.0	0.0	-8.1
Option 3: Increase phase-in rate from 15 to 30 percent	-3.7	-3.2	-3.0	-2.4	-0.8	-0.7	-0.7	-0.6	-0.6	-0.6	-16.4
Option 4: Combine options 1 through 3	-11.0	-8.2	-7.9	-6.3	-1.2	-1.1	-1.1	-1.0	-1.0	-0.9	-39.9

Source: Urban-Brookings Tax Policy Center (TPC) Microsimulation Model (version 0722-2).

(1) Baseline is the law currently in place for each year as of December 11, 2022. All proposals are retroactive to 01/01/2022. Estimates assume a 20-80 fiscal split. The actual effect on receipts might differ.

(2) Under current law, the CTC amount is refundable up to 15 percent of earnings in excess of \$2,500 through 2025 and \$3,000 thereafter. Proposal would repeal the threshold so that the credit amount would be refundable beginning with the first dollar of earnings.

(3) Under current law, the refundable amount per child is limited to \$1,400, indexed for inflation after 2018 and rounded down to the nearest \$100. Proposal would repeal the limitation so that the entire per child amount would potentially be refundable. The limitation sunsets under current law on 12/31/2025.