

**Table T22-0196**  
**Distribution of Tax Units and Qualifying Children under Proposal to Repeal Child Tax Credit (CTC) Earned Income Threshold and the Refundability Limit Enacted by the 2017 Tax Act, and Increase Refundability Rate from 15 to 30 Percent by Eligibility for Child Tax Credit (CTC), 2022<sup>1</sup>**

	No CTC Because Earnings/Tax Liability Too Low <sup>2</sup>		Less than Full CTC Because Earnings/Tax Liability Too Low <sup>3</sup>		Full CTC <sup>4</sup>		Less than Full CTC Because Income In Phase-out Range <sup>5</sup>		No CTC Because Income Exceeds End of Phase-out Range <sup>6</sup>	
	Millions	Percent of Total	Millions	Percent of Total	Millions	Percent of Total	Millions	Percent of Total	Millions	Percent of Total
	<b>Number of Tax Units with CTC-Eligible Children under Age 17<sup>7</sup></b>	0.9	2.1	2.6	6.4	36.0	87.8	0.4	1.0	1.1
<b>Number of CTC-Eligible Children under Age 17<sup>7</sup></b>	1.6	2.4	4.5	6.8	58.0	86.7	0.7	1.1	2.0	3.0
<b>Number of Tax Units with Eligible Children or Dependents of any Age</b>	3.8	7.2	3.6	6.7	43.9	82.4	0.4	0.8	1.6	3.0
<b>Number of Eligible Children or Dependents of any Age</b>	6.2	6.6	7.8	8.3	76.0	80.9	0.9	1.0	3.0	3.2

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

(1) Calendar year. Proposal would expand refundability of the CTC by allowing credit refundability to be calculated beginning with the first dollar of earnings, remove the limitation in current law (as of December 14, 2022) on how much of the CTC can be received as a refund so that the full \$2,000 per child can be received as a refund, and increases the refundability rate from 15 to 30 percent. Under current law, tax units are eligible for a partially refundable credit of up to \$2,000 for each eligible child under age 17. For purposes of the child tax credit only, eligible children must have a valid Social Security number (SSN). Taxpayers can claim a nonrefundable tax credit of up to \$500 for each dependent who is 17 or older or, if younger, does not have an SSN. In the column headings, categorizing the portion of the credit received by the taxpayer, "CTC" includes both types of credits for dependents. The credit for eligible children under age 17 is refundable at a rate of 15 percent of earnings in excess of \$2,500 (unindexed) up to a maximum of \$1,500 (indexed annually for inflation). The combined amounts for eligible children under age 17 and other dependents phases out by \$50 for each \$1,000 (or fraction thereof) by which adjusted gross income (AGI) exceeds a threshold of \$400,000 for married couples filing jointly and \$200,000 for others. The phase-out thresholds are not indexed for inflation. In the row headings, "CTC-eligible children" includes only those who are under the age of 17 and have a valid SSN.

(2) Tax units that do not receive any refundable CTC because they do not have earnings; and/or do not receive any nonrefundable credit because they have no tax liability to offset.

(3) Tax units with earnings of at least one dollar who receive some refundable CTC but who do not receive the full \$2,000 per child amount because the combination of their earnings and tax liability are too low. Also includes tax units who, regardless of earnings, receive an amount of non-refundable credit less than the full value because tax liability before credits is too low.

(4) Tax units that receive the full \$2,000 amount for each eligible child under age 17 and/or the full \$500 amount for each other eligible dependent. Includes tax units with children under age 17 who do not possess a valid SSN that receive the full \$500 amount for those children.

(5) Tax units with AGI greater than \$400,000 for married couples filing jointly (\$200,000 for others) that still receive a positive amount of CTC.

(6) Tax units with AGI greater than the end of the phase-out range that therefore receive no CTC.

(7) Only includes children under age 17 who are eligible for the \$2,000 CTC amount. It does not include children under age 17 who do not possess a valid SSN.