

Table T07-0001
Allow Full Refundability of Child Tax Credit (CTC)
Distribution of Federal Tax Change by Cash Income Class, 2010¹

Cash Income Class (thousands of 2006 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	12.3	0.0	1.7	18.8	-97	-37.6	-0.1	0.1	-1.6	2.7
10-20	18.3	0.0	1.3	58.0	-204	-29.0	-0.2	0.5	-1.3	3.1
20-30	8.6	0.0	0.3	17.7	-74	-2.9	-0.1	2.1	-0.3	9.2
30-40	2.5	0.0	0.1	3.7	-21	-0.4	0.0	3.3	-0.1	13.5
40-50	0.7	0.0	0.0	1.0	-7	-0.1	0.0	4.2	0.0	16.5
50-75	0.2	0.0	0.0	0.4	-1	0.0	0.0	11.3	0.0	19.0
75-100	0.1	0.0	0.0	0.1	-1	0.0	0.0	11.1	0.0	20.8
100-200	0.0	0.0	0.0	0.0	0	0.0	0.1	26.4	0.0	23.9
200-500	0.0	0.0	0.0	0.0	0	0.0	0.1	17.5	0.0	26.6
500-1,000	0.0	0.0	0.0	0.0	0	0.0	0.0	6.5	0.0	26.5
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	0.1	16.8	0.0	30.4
All	5.9	0.0	0.1	100.0	-58	-0.4	0.0	100.0	-0.1	21.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2010¹

Cash Income Class (thousands of 2006 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre- Tax Income	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Less than 10	17,249	11.2	6,020	258	5,762	4.3	0.9	1.1	0.2
10-20	25,257	16.3	16,275	706	15,569	4.3	3.6	4.4	0.7
20-30	21,136	13.7	26,983	2,550	24,433	9.5	5.0	5.7	2.2
30-40	15,865	10.3	37,911	5,155	32,756	13.6	5.2	5.8	3.3
40-50	13,044	8.4	48,808	8,068	40,739	16.5	5.5	5.9	4.2
50-75	22,180	14.3	67,154	12,748	54,406	19.0	13.0	13.4	11.3
75-100	14,059	9.1	94,376	19,660	74,715	20.8	11.5	11.7	11.0
100-200	18,782	12.1	147,048	35,107	111,940	23.9	24.0	23.4	26.3
200-500	5,289	3.4	310,634	82,593	228,041	26.6	14.3	13.4	17.4
500-1,000	831	0.5	738,482	195,367	543,115	26.5	5.3	5.0	6.5
More than 1,000	431	0.3	3,204,623	974,236	2,230,388	30.4	12.0	10.7	16.8
All	154,718	100.0	74,322	16,192	58,130	21.8	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is current law. Provision: eliminate the income threshold for refundability of the CTC.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.