

Table T07-0004
Fix Refundability Threshold for Child Tax Credit (CTC) at \$11,300
Distribution of Federal Tax Change by Cash Income Percentile, 2010¹

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	4.3	0.0	0.1	22.3	-7	-2.0	0.0	0.4	-0.1	3.6
Second Quintile	11.5	0.0	0.1	67.2	-20	-1.1	0.0	2.3	-0.1	7.8
Middle Quintile	1.7	0.0	0.0	9.7	-3	-0.1	0.0	7.7	0.0	14.9
Fourth Quintile	0.1	0.0	0.0	0.6	0	0.0	0.0	17.6	0.0	19.5
Top Quintile	0.0	0.0	0.0	0.1	0	0.0	0.0	71.9	0.0	25.8
All	3.5	0.0	0.0	100.0	-6	0.0	0.0	100.0	0.0	21.8
Addendum										
Top 10 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	55.9	0.0	27.0
Top 5 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	43.2	0.0	27.9
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	24.8	0.0	29.0
Top 0.5 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	20.0	0.0	29.7
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	12.3	0.0	31.4

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

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	30,349	19.6	9,317	338	8,978	3.6	2.5	3.0	0.4
Second Quintile	30,951	20.0	23,511	1,853	21,658	7.9	6.3	7.5	2.3
Middle Quintile	30,935	20.0	41,886	6,221	35,665	14.9	11.3	12.3	7.7
Fourth Quintile	30,943	20.0	72,976	14,214	58,762	19.5	19.6	20.2	17.6
Top Quintile	30,945	20.0	225,458	58,215	167,243	25.8	60.7	57.5	71.9
All	154,718	100.0	74,322	16,192	58,130	21.8	100.0	100.0	100.0
Addendum									
Top 10 Percent	15,472	10.0	334,549	90,461	244,088	27.0	45.0	42.0	55.9
Top 5 Percent	7,734	5.0	502,540	139,993	362,547	27.9	33.8	31.2	43.2
Top 1 Percent	1,547	1.0	1,384,540	401,942	982,598	29.0	18.6	16.9	24.8
Top 0.5 Percent	774	0.5	2,181,481	647,927	1,533,553	29.7	14.7	13.2	20.0
Top 0.1 Percent	155	0.1	6,319,084	1,983,017	4,336,066	31.4	8.5	7.5	12.3

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

(1) Calendar year. Baseline is current law. Provision: fix the income threshold for refundability of the CTC at \$11,300.

(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) For the income levels at each quintile and the top income percentiles used in this table, see <http://www.taxpolicycenter.org/TaxModel/percentiles.cfm>

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

(5) 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.

(6) 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.