

**T07-0093**  
**Options to Expand the Earned Income Tax Credit for Families with Three or More Children**  
**Static Impact on Individual Income Tax Liability and Revenue (\$ billions), 2007-17<sup>1</sup>**

	Year											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2007-17
<b>Fiscal Year Revenue<sup>2</sup></b>												
Increase phase-in rate to 45 percent	-0.3	-1.4	-1.4	-1.4	-1.4	-1.3	-1.3	-1.3	-1.3	-1.3	-1.4	-13.8
Increase phase-in rate to 45 percent and lower the phase-out threshold to \$14,500	-0.2	-1.1	-1.1	-1.1	-1.0	-0.9	-0.9	-1.0	-1.0	-1.0	-1.0	-10.2
Increase phase-in rate to 42.5 percent and lower the phase-out threshold to \$14,500	-0.1	-0.4	-0.4	-0.4	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-3.3
<b>Calendar Year Liability</b>												
Increase phase-in rate to 45 percent	-1.4	-1.4	-1.4	-1.4	-1.3	-1.3	-1.3	-1.3	-1.3	-1.4	-1.4	-14.9
Increase phase-in rate to 45 percent and lower the phase-out threshold to \$14,500	-1.1	-1.1	-1.1	-1.1	-0.9	-0.9	-0.9	-1.0	-1.0	-1.0	-1.0	-11.0
Increase phase-in rate to 42.5 percent and lower the phase-out threshold to \$14,500	-0.4	-0.4	-0.4	-0.4	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-3.6
<b>Addendum: Filers with 3 or More Children Eligible for the EITC by Earned Income (\$ thousands), 2007 (thousands)</b>		<b>0-5</b>	<b>5-10</b>	<b>10-15</b>	<b>15-20</b>	<b>20-25</b>	<b>25-30</b>	<b>30-35</b>	<b>35-40</b>	<b>40-45</b>	<b>45-50</b>	<b>Total</b>
Current Law		102.4	246.9	355.9	382.7	397.2	376.0	394.5	218.4	0.0	0.0	2,473.9
Increase phase-in rate to 45 percent		103.5	246.9	357.4	382.7	399.6	378.3	400.7	311.5	96.7	0.0	2,677.3
Increase phase-in rate to 45 percent and lower the phase-out threshold to \$14,500		103.5	246.9	356.1	382.7	398.3	377.1	400.5	300.5	54.7	0.0	2,620.3
Increase phase-in rate to 42.5 percent and lower the phase-out threshold to \$14,500		102.4	246.9	356.1	382.7	397.2	376.0	399.2	261.3	4.6	0.0	2,526.4

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

(1) Proposals are effective 01/01/07. Baseline is current law. Revenue and liability figures are in nominal dollars. Dollar amounts in the descriptions are presented in 2007 dollars and would be indexed for inflation. Proposals affect only tax units with three or more qualifying children and do not affect the addition to the phase-out threshold for joint returns or any other EITC parameters not shown. Estimates are static and do not account for any potential microeconomic behavioral response. Official estimates from the Joint Committee on Taxation would likely show a somewhat different effect on revenue.

(2) Fiscal-year revenue numbers assume a 20-80 split. The actual effect on receipts could differ.