

T07-0094
Options to Expand the Child Tax Credit
Static Impact on Individual Income Tax Liability and Revenue (\$ billions), 2007-11¹

	Year					
	2007	2008	2009	2010	2011	2007-11
Fiscal Year Revenue²						
Reset the refundability threshold to \$10,000 and index for inflation after 2007	-0.3	-1.4	-1.4	-1.4	-1.1	-5.6
Reset the refundability threshold to \$10,000 and do not index for inflation	-0.3	-1.4	-1.6	-1.8	-1.5	-6.6
Freeze the refundability threshold at \$11,750; do not index for inflation	0.0	0.0	-0.2	-0.4	-0.5	-1.2
Calendar Year Liability						
Reset the refundability threshold to \$10,000	-1.4	-1.4	-1.4	-1.4	0.0	-5.6
Reset the refundability threshold to \$10,000 and do not index for inflation	-1.4	-1.6	-1.7	-1.9	0.0	-6.6
Freeze the refundability threshold at \$11,750; do not index for inflation	0.0	-0.2	-0.4	-0.6	0.0	-1.2

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

(1) Proposals are effective 01/01/07 and sunset 12/31/10. Baseline is current law. Revenue and liability figures are in nominal dollars. Dollar amounts in the descriptions are presented in 2007 dollars. 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.