

**T07-0095**  
**Options to Expand the Earned Income Tax Credit for Childless Workers**  
**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>													
<b>Assuming No Change in Participation Rate</b>													
Increase phase-in and phase-out rates to 10 percent, increase phase-out threshold to \$9,000	-0.1	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.7	-0.6	-0.6	-0.7	-6.6	
Extend phase-in range to \$7,310, increase the phase-out threshold to \$9,000	-0.1	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-6.9	
Increase phase-in and phase-out rates to 15.3 percent, increase phase-out threshold to \$10,700	-0.4	-1.9	-1.9	-1.9	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-20.0	
<b>Assuming All Eligible Filers Claim the Credit</b>													
Increase phase-in and phase-out rates to 10 percent, increase phase-out threshold to \$9,000	-0.2	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-8.3	
Extend phase-in range to \$7,310, increase the phase-out threshold to \$9,000	-0.2	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-0.9	-0.9	-0.9	-0.9	-9.8	
Increase phase-in and phase-out rates to 15.3 percent, increase phase-out threshold to \$10,700	-0.5	-2.6	-2.6	-2.6	-2.6	-2.5	-2.5	-2.5	-2.5	-2.5	-2.5	-25.7	
<b>Calendar Year Liability</b>													
<b>Assuming No Change in Participation Rate</b>													
Increase phase-in and phase-out rates to 10 percent, increase phase-out threshold to \$9,000	-0.6	-0.6	-0.6	-0.7	-0.6	-0.6	-0.7	-0.6	-0.6	-0.7	-0.7	-7.1	
Extend phase-in range to \$7,310, increase the phase-out threshold to \$9,000	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-7.5	
Increase phase-in and phase-out rates to 15.3 percent, increase phase-out threshold to \$10,700	-1.9	-1.9	-1.9	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-21.5	
<b>Assuming All Eligible Filers Claim the Credit</b>													
Increase phase-in and phase-out rates to 10 percent, increase phase-out threshold to \$9,000	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-8.9	
Extend phase-in range to \$7,310, increase the phase-out threshold to \$9,000	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-0.9	-0.9	-0.9	-0.9	-10.5	
Increase phase-in and phase-out rates to 15.3 percent, increase phase-out threshold to \$10,700	-2.6	-2.6	-2.6	-2.6	-2.5	-2.5	-2.5	-2.5	-2.5	-2.5	-2.4	-27.7	
<b>Addendum: Filers with No Children Eligible for the EITC</b>													
<b>by Marginal Credit Change, 2007 (thousands)</b>													
Current Law				Phase-In				Plateau				Phase-Out	Total
				1,218				407				2,600	4,226
Increase phase-in and phase-out rates to 10 percent, increase phase-out threshold to \$9,000				1,255				1,173				2,879	5,306
Extend phase-in range to \$7,310, increase the phase-out threshold to \$9,000				1,811				617				3,993	6,420
Increase phase-in and phase-out rates to 15.3 percent, increase phase-out threshold to \$10,700				1,284				1,973				3,158	6,416

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 no 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.