

Table T07-0154
Fully Refundable Child and Dependent Care Tax Credit (CDCTC)
Distribution of Federal Tax Benefits by Cash Income Class, 2006¹

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 Benefits	Average Federal Tax Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Benefit	Without Tax Benefit			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	2.7	97.3	0.4	7.7	-20	-8.9	0.0	0.2	-0.4	3.6
10-20	3.5	96.5	0.2	17.4	-33	-5.0	0.0	0.8	-0.2	4.3
20-30	3.8	96.2	0.1	11.3	-28	-1.2	0.0	2.4	-0.1	9.7
30-40	5.1	94.9	0.1	9.8	-32	-0.7	0.0	3.7	-0.1	14.0
40-50	4.9	95.1	0.1	6.9	-28	-0.4	0.0	4.4	-0.1	16.6
50-75	6.8	93.3	0.1	15.6	-37	-0.3	0.0	11.9	-0.1	18.5
75-100	8.7	91.3	0.1	11.8	-46	-0.3	0.0	11.0	-0.1	20.0
100-200	9.1	90.9	0.1	15.9	-49	-0.2	0.0	24.0	0.0	22.4
200-500	6.5	93.5	0.0	3.1	-36	-0.1	0.0	15.5	0.0	25.6
500-1,000	3.8	96.2	0.0	0.3	-21	0.0	0.0	6.8	0.0	27.7
More than 1,000	2.6	97.5	0.0	0.1	-18	0.0	0.1	19.1	0.0	32.4
All	5.3	94.7	0.1	100.0	-33	-0.3	0.0	100.0	-0.1	21.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2006¹

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-	Share of	Share of
	Number (thousands)	Percent of Total					Tax Income Percent of Total	Post-Tax Percent of Total	Federal Taxes Percent of Total
Less than 10	19,138	13.0	5,634	222	5,411	3.9	1.1	1.4	0.2
10-20	25,619	17.4	14,909	669	14,240	4.5	4.1	4.9	0.9
20-30	19,881	13.5	24,735	2,428	22,307	9.8	5.2	6.0	2.4
30-40	15,077	10.2	34,840	4,912	29,928	14.1	5.6	6.1	3.7
40-50	11,930	8.1	44,708	7,437	37,271	16.6	5.7	6.0	4.4
50-75	21,009	14.3	61,462	11,387	50,075	18.5	13.7	14.2	11.9
75-100	12,719	8.6	86,239	17,270	68,969	20.0	11.7	11.8	11.0
100-200	15,955	10.8	134,074	30,123	103,951	22.5	22.7	22.4	24.0
200-500	4,214	2.9	287,808	73,596	214,211	25.6	12.9	12.2	15.5
500-1,000	727	0.5	677,545	187,667	489,878	27.7	5.2	4.8	6.8
More than 1,000	383	0.3	3,081,101	997,978	2,083,123	32.4	12.5	10.8	19.1
All	147,237	100.0	63,974	13,616	50,358	21.3	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-2).

Number of AMT Taxpayers (millions). Baseline: 3.6 Proposal: 3.6

(1) Baseline is current law without the child and dependent care tax credit (CDCTC). Proposal allows a fully refundable CDCTC.

(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 but excludes those that are dependents of other tax units.

(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.